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(103d Congress, 2d Session)

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(II)

103d Congress

Report

SENATE

2d Session

103-282

AUTHORIZING APPROPRIATIONS FOR FISCAL YEAR 1995 FOR MILITARY ACTIVITIES OF THE
DEPARTMENT OF DEFENSE, FOR MILITARY CONSTRUCTION, AND FOR DEFENSE ACTIVITIES
OF THE DEPARTMENT OF ENERGY, TO PRESCRIBE PERSONNEL STRENGTHS FOR SUCH
FISCAL YEAR FOR THE ARMED FORCES, AND FOR OTHER PURPOSES

June 14, (legislative day, June 7), 1994.-Ordered to be printed

Mr. Nunn, from the Committee on Armed Services, submitted the following

REPORT

together with

ADDITIONAL AND MINORITY VIEWS

[To accompany S. 2182]

The Committee on Armed Services reports favorably an original bill to authorize appropriations during the fiscal year 1995 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the armed forces, and for other purposes, and, recommends that the bill do pass.

PURPOSE OF THE BILL

This bill would:

(1) authorize appropriations for (a) procurement, (b) research, development, test and evaluation, (c) operation and maintenance and the revolving and management funds of the Department of Defense for fiscal year 1995;

(2) authorize the personnel end strength for each military active duty component of the armed forces for fiscal year 1995;

(3) authorize the personnel end strengths for the Selected Reserve of each of the reserve components of the armed forces for fiscal year 1995;

(4) authorize the annual average military training student loads for the active and reserve components of the armed forces for fiscal year 1995;

(5) impose certain reporting requirements;

(6) impose certain limitations with regard to specific procurement and RDT&E actions and manpower strengths; provide certain additional legislative authority, and make certain changes to existing law;

(7) authorize appropriations for military construction programs of the Department of Defense for fiscal year 1995;

(8) authorize appropriations for national security programs of the Department of Energy for fiscal year 1995; and

(9) authorize appropriations for civil defense, including programs of the Federal Emergency Management Agency, for fiscal year 1995.

Explanation of funding summary

The administration's original budget request for the national defense function of the federal budget for fiscal year 1995 was \$263.7 billion, of which \$193.0 billion is for programs which require authorization. Subsequent budget amendments for procurement reform and reform of agency rent payments reduced the request for the national defense function to \$263.3 billion. The bill reported by the committee includes an authorization recommendation of \$263.1 billion.

The committee's authorization recommendation is substantially larger than the amount requested for specific funding authorization. The primary reason for this difference is that the committee authorized \$70.8 billion in funding for military end strengths and pay raises, which traditionally do not require a specific funding authorization.

The following table summarizes both the direct authorizations and the equivalent budget authority levels for the fiscal year 1995 national defense authorizations in this legislation.

The columns relating to the authorization request do not include funding for the following items: military personnel funding; military construction authorizations provided in prior years; and other small portions of the defense budget that are not within the jurisdiction of this committee or which do not require an annual authorization. As explained above, funding for military personnel is included in the amounts authorized by the committee, but not in the total funding requested for authorization.

Funding for all programs in the national defense budget function is reflected in the columns relating to the budget authority request and the total budget authority implication of the authorizations in this bill.

When taking into account all legislative provisions in this bill, including those which do not require direct funding authorizations, the budget authority implication of this bill is \$263.3 billion, which is \$0.5 billion below the Budget Resolution figure of \$263.8 billion for the national defense function and \$370 million below the original budget request.

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Future defense budget reductions

The committee remains concerned about the adequacy of the funding levels that will be available for national defense programs in the coming years. Of particular concern are the hidden reductions that are not readily apparent when looking at the outyear funding levels for defense contained in the Administration's fiscal year 1995 budget.

Although the funding levels included in the Administration budget are said to be sufficient to support the force levels advocated by the Administration as a result of the Bottom-Up Review, this assumption is questionable on several grounds.

First, as the Secretary of Defense testified before the committee, the Defense Department's Future Years Defense Program actually includes \$20 billion more in program funding during fiscal years 1996 through 1999 than the defense funding levels in the Administration's own budget can support. The Secretary attributed this shortfall to a failure to fully budget for increased inflation. This situation will have to be resolved in the fiscal year 1996 budget. If the overall defense budget is not increased, funding for programs currently included in the Defense Department's planned fiscal year 1996 budget will have to be cut.

Second, in both the fiscal year 1994 and 1995 budgets, the Administration proposed either freezing military and federal civilian pay rates or holding pay raises significantly below the rate of inflation. Congress rejected that approach last year. This year, the Armed Services Committees of the Senate and the House of Representatives have recommended higher pay raises for military personnel than have been assumed in the budget, and action in other committees indicates that Congress may also increase civilian pay raises above the levels assumed in the fiscal year 1995 budget.

According to the Congressional Budget Office, the total cost over the next five years of providing the full pay raises to which military and DOD civilian employees are entitled under current law is \$26 billion above the amounts assumed in the Administration's defense budget. At a minimum, the five-year cost just for the 1995 military pay raise increase recommended by the committee, and of an equivalent raise for DOD civilians, is \$4.8 billion.

Third, the Administration's budget assumed unallocated government-wide savings for procurement reform of \$12.2 billion over the next five years. A budget amendment allocated approximately 45 percent of the fiscal year 1995 savings to DOD. A similar allocation of the assumed savings in the outyears would require DOD to save at least \$6 billion from procurement reform.

Fourth, based on past history, there is every reason to expect that the upcoming 1995 base closure round will cost significantly more than is currently assumed in the Administration's budget.

Finally, the Concurrent Resolution on the Budget for Fiscal Year 1995 lowered the discretionary spending limits in the Senate for fiscal years 1995 through 1999 by \$30.8 billion. Because the defense budget represents approximately half of federal discretionary spending, this reduction in the discretionary caps is likely to require some reductions to the overall levels of defense spending currently assumed by the Administration.

This combination of potential reductions in future defense spending topline, a \$20 billion funding shortfall already built into the current budget, and costs for items such as pay raises and procurement reform that will have to be absorbed within future defense budgets leaves the committee seriously concerned that the Bottom-Up Review force structure proposed by the Administration, which the Chairman of the Joint Chiefs of Staff testified was "as lean as we dared make it", will prove to be unaffordable.

Force structure, strategy, and modernization

The chart below shows past and planned funding, in constant dollars, of military personnel; operation and maintenance (O&M); research, development, test, and evaluation (RDT&E); and procurement. The chart shows that most of the increase in the defense budget during the 1980s was in procurement, but that most of the decline in the defense budget since the mid-1980s was also in procurement. Declines since the peak of spending in 1985 in O&M and RDT&E have been significantly less steep.

The Administration has decided to reduce procurement funding as much as it has on the grounds that the buildup of the 1980s modernized most of the force and will provide a margin of technological superiority for some time to come. In the interim, the Administration hopes to achieve substantial savings in overhead costs and force level reductions, which can then be "re-invested" in the procurement of modern equipment. This strategy is reflected in the planned upswing in the procurement budget in the last years of the current Future Years Defense Program (FYDP).

Elsewhere in this report, however, the committee outlines major unfunded liabilities facing the Department of Defense. Addressing these shortfalls is likely to lead to elimination of the hoped-for increase in procurement, and perhaps an even larger reduction.

Procurement funding levels determine the rate at which forces are modernized with new or improved equipment. In general, if modernization rates decline too far, force effectiveness will diminish relative to potential opponents.

Hypothetically, as an example, at projected procurement levels, the 10-division Army force level established by the Bottom-Up Review (BUR) may be unable in the long term to prevail in two nearly simultaneous major regional contingencies (MRC) if adversaries have engaged in significant force expansion and modernization. Conversely, a force size less than 10 divisions that is equipped with more modern equipment could be more effective in implementing the two-MRC strategy than 10 divisions that have been modernized at a slower rate.

The committee is not satisfied that the Department of Defense has adequately analyzed the impact of sustained, low procurement levels on overall force capabilities over the long term, particularly since projected procurement levels may not be achievable. The committee also is not satisfied that the Department has analyzed the tradeoffs between force size and force effectiveness.

The committee believes that the Department of Defense must address these issues. The committee therefore directs the Secretary of Defense to provide a report to the congressional defense committees by December 31, 1994, that answers these questions:

- (1) What criteria does the Department of Defense use to determine the adequacy of its modernization program?
- (2) If the planned increase in procurement is not achieved, will the Department be able to execute the two-MRC strategy successfully? If so, at what increased cost and risk?
- (3) What mechanism is appropriate for gauging the trade-offs between force structure and modernization?
- (4) If force levels were reduced another 5, 10, or 15 percent, what would the direct and indirect savings be?
- (5) If these savings were applied to modernize the remaining forces at a higher rate, what would the effect be on the Department of Defense's warfighting capability 10 or 15 years from now? Would that force be more or less effective in implementing the two-MRC contingency strategy?

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Arms control compliance funding for the On-Site Inspection Agency (OSIA) and the military services.

The arms control budget request for the On-Site Inspection Agency (OSIA), the military Services, and defense agencies was based on assumptions regarding the dates on which treaties would likely enter into force. To date, the following treaties have not been ratified by all signatories, which is resulting in a delay in the date of entry into force: the Open Skies Treaty, the Chemical Weapons Convention, START II, and the Bilateral Destruction Agreement between the United States and Russia. As a result, the committee recommends a reduction of \$7.0 million in the O&M account for OSIA, and reductions of \$6.0 million to the Army, \$3.0 million to Navy, and \$4.0 million to the Air Force O&M accounts for arms control compliance activities due to these reduced requirements in fiscal year 1995.

Because of the fast-changing nature of arms control agreements, in the event that inspection requirements for OSIA or the military Services increase, the committee will consider requests by the Department of Defense for additional adjustments in funding during the fiscal year, as appropriate.

The budget of the Department of Defense funds the majority of the costs of implementation for arms control agreements to which the United States is a party. Recently concluded arms control agreements have included the creation of consultative commissions or groups to allow treaties to operate provisionally prior to entry into force, promote the objectives and implementation of treaty provisions, and to discuss and resolve questions or problems that may arise relating to compliance with, or possible circumvention of treaties. Additionally, these commissions and groups can make technical changes and amendments to the treaties, which could affect inspection and monitoring provisions, and result in an increase to the costs of implementation of the treaties.

The statement of managers accompanying the conference report on the National Defense Authorization Act for Fiscal Year 1994 (H. Rept. 103-357) directed the Department of Defense to notify the congressional defense committees in writing 30 days prior to U.S. agreement to any recommendations of the various consultative commissions that would result in either a technical change to the treaty affecting inspection and monitoring provisions, or that would increase costs of implementation. The advance notification is to include

information on the effect of the change, and the contribution to the U.S. national security. The committee recommends the continuation of this practice and further recommends that the congressional defense committees be notified in advance of any technical changes or amendments to treaties that result in clarification of the definitions of understood meanings.

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Budget exhibits

The committee understands that the Department of Defense is considering making some major modifications to the procurement and research and development (R&D) budget exhibits. Some of these changes involve presenting R&D information, by project, in formats similar to those of the procurement display.

The committee applauds the efforts of the Joint Chiefs of Staff (JCS) to bring some order to the terminology for aircraft inventory management. The committee believes that this standardization was long overdue. The previous Service-unique accounting schemes led to much confusion. The committee also believes that information on the total overall aircraft inventories would be a useful addition to the budget documentation. Such displays would provide detail by the appropriate active and inactive inventory categories, as compared to the total inventory requirements approved by the JCS.

The committee believes that such changes could ultimately result in streamlining the budget review process, both for the Administration and the Congress. These changes could reduce the amount of time that is now wasted in reviewing the budget by people at all levels manually collating data from different sources, including asking (and answering) questions seeking to clarify factual data.

DIVISION A-DEPARTMENT OF DEFENSE

AUTHORIZATIONS

TITLE I-PROCUREMENT

The recommendations of the committee for the procurement of various defense weapons and equipment appear in this title of the report.

EXPLANATION OF TABLES

The tables in this title display items requested by the administration for fiscal year 1995 for which the committee either increased or decreased the requested amounts. Items that are not displayed have been approved by the committee in the amounts requested in the Department of Defense's budget justification documents. As in the past, the administration may not exceed the amounts approved by the committee (as set forth in the tables or, if unchanged from the administration's request, as set forth in the Defense Department's budget justification documents) without a reprogramming action in accordance with established procedures.

Mission planning systems

The committee report on S. 1298 (S. Rept. 103-112) directed the Under Secretary of Defense for Acquisition to assemble a panel to survey all the mission planning systems currently in operation or in development in the Department; to identify those systems which utilize common data bases and computer models and those systems which require unique data and models; and to outline a plan for the consolidation and coordination of current and future mission planning systems. The committee was concerned that there has been little coordination among the Department's plans. The committee observed that the lack of coordination has produced multiple, redundant data base requirements.

The Department has submitted an interim response indicating that the proliferation problem may be much larger than anyone had realized. The committee had been told that there were at least 17 mission planning systems in development with no clear plan for coordination. The indications now are that there may be dozens, if not hundreds of such systems.

The committee encourages the Department to complete this review expeditiously. The Department can ill afford to delay getting this problem under control.

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Medium range transport aircraft

The committee notes the Army aviation modernization plan has identified a requirement for modernizing the Army's fixed wing aviation fleet by reducing the number of different types of aircraft the Army operates. The Army's fixed wing modernization strategy is focused on four basic types of aircraft. One of these is a medium-range utility aircraft (C-XX MR). The committee notes that the Army has a validated requirement for the C-XX MR, including a published mission needs statement.

The committee recommends \$23.0 million for acquiring four new production, small turbofan aircraft for the C-XX MR mission, consistent with the Army aviation modernization plan.

Army helicopters

As noted elsewhere in this report, the Army's modernization program has many, apparently serious, deficiencies. The Army believes it would need as much as a 50 percent increase in its research, development, and acquisition (RDA) accounts to modernize adequately. The committee does not believe that the Army is going to compete successfully for any increase of this magnitude, particularly when it is likely that the overall Department of Defense budget will be declining further.

The Army's helicopter situation is a microcosm of what is happening in RDA overall:

- (1) too many programs chasing too few dollars;
- (2) sole source procurement decisions that may not take adequate account of protecting critical industrial base capabilities;
- (3) program cancellations that will ultimately result in increased industrial base problems;
- (4) sacrificing modernization to protect current force structure, which requires "band-aid" measures to sustain current capabilities; and
- (5) the Army's hope that the budget situation will improve beyond the planning period.

The committee is aware of the Army's aviation restructuring initiative, but even this plan may not be bold enough.

The Comanche, the program that the Army claims is its number one priority, will not be ready for production until the end of the decade. In the meantime, the Army intends to halt production of UH-60 helicopters at one of the Comanche prime contractor's facilities in fiscal year 1997. The Army apparently hopes that: (1) the prime contractor will remain viable with little or no certain U.S. government production effort; (2) the Comanche budget can afford the long-term cost increases from reopening the prime contractor's plant; and (3) the Army's budget can afford increased overhead costs for Comanche R&D in the interim.

The Apache upgrade program is another area of concern. The Army's plan is to negotiate a sole source contract for this upgrade with the prime contractor that built the new production Apaches. Yet, new production is slated to end several months before the upgrade program will get underway. The Army apparently hopes that foreign military sales (FMS) will sustain a production capability until the Longbow upgrade program begins rate production. However, if FMS does not fill the gap, the Army plans to pay substantial close down and restart costs.

For utility helicopters, the Army plans to stop UH-60 production at a level several hundred short of requirements. Because of this shortfall, the Army will be obliged to operate old UH-1 helicopters for the foreseeable future. The statement of managers accompanying the National Defense Authorization Act for Fiscal Year 1994 (H. Rept. 103-357) directed the Secretary of the Army to coordinate with the Chief of the National Guard Bureau to thoroughly study light helicopter modernization requirements and alternatives. The Secretary was directed to provide this report by April 15, 1994. The Secretary has not provided the report.

The committee is concerned that the Army is making decisions on a program-by-program basis, without considering the effect on other programs, the overall budget, or on the industrial base. What appears to be rational and cost-efficient from a program perspective may not be the case from a total Army perspective.

It may be that the Defense Department intends to let this situation run on autopilot, at least until there is a catastrophe. The committee believes that the Department of Defense should not wait for louder warning. The committee believes that the Congress could benefit from an independent review of the Army's aviation situation. The committee has a number of questions:

- (1) What is the revised force structure, supported by the Bottom-Up Review, against which we should measure modernization requirements?
- (2) Is that force structure affordable in the context of Army modernization requirements?
- (3) If Comanche is the Army's number one priority, why would the Army put the Comanche development program at such risk? What should be done to mitigate the risk that the prime contractor will not be able to complete development and start production at reasonable costs?
- (4) If the Army is not going to compete the Apache upgrade, why shouldn't the Army consider using the Apache upgrade program to bridge the gap until Comanche is ready to build?
- (5) If the Army is not going to completely modernize its utility helicopter fleet, what is the affordable plan for ensuring that the force is sustained?

The committee believes that the Department of Defense should complete a thorough assessment of these and other related Army aviation issues and submit its findings with the fiscal year 1996 budget request.

UH-60 helicopter

The committee understands that the UH-60 helicopter engine contract has achieved contract price reductions that are not reflected in the budget request. The committee recommends a reduction of \$4.5 million to reflect better engine pricing.

Kiowa warrior

The budget request included \$111.8 million for various upgrades to Kiowa warrior helicopters. One of these involves an upgrade to the control display systems. The committee understands that the budget request overstates the cost of these upgrades by \$1.3 million. Accordingly, the committee recommends a reduction of \$1.3 million.

Hellfire

The budget request included \$121.6 million for the procurement of 830 Hellfire missiles. The committee recommends an authorization of \$133.6 million, \$12.0 million above the requested level. This small increase will allow the Army to procure an additional 400 missiles.

TOW missile

The budget request did not include funds to continue production of the TOW IIB antitank missile. The committee has sufficient reservations about the adequacy of the Army's long-range plans for maintaining a viable heavy antitank missile to warrant a recommendation to continue modest production of the TOW IIB missile for at least another year.

The Army currently has an adequate inventory of TOW missiles. However, due to normal shelf-life aging and expenditures of missiles in training and testing, the inventory will begin to fall dramatically shortly after the turn of the century. Indeed, by the middle of the next decade, the Army will have enough TOWs to equip only the contingency force. Assuming successful development of a follow-on missile, which the Army intends to begin in fiscal year 1997, the Army would have to procure the new missile at a high rate to maintain total force readiness. The committee notes that these are the same years that the Army currently plans to be buying large quantities of the Javelin man-portable antitank missile. Elsewhere in this report, the committee questions the validity of the Javelin production profile. The committee's concerns increase if the Army plans to produce a large number of TOW follow-on missiles at the same time.

The committee recommends that the Army submit a report through the Office of the Secretary of Defense to the congressional defense committees that addresses these issues:

- (1) the cost and schedule for the development of a TOW follow-on;
- (2) the production schedule, profile, and projected unit costs of the follow-on;
- (3) the potential to scale-up the Javelin missile or technology to meet TOW follow-on requirements, and the cost benefits to both programs if that could be accomplished; and
- (4) the costs to maintain TOW IIB production at levels necessary to sustain inventory requirements for the Total Force.

This report shall be provided by April 15, 1995. In the meantime, the committee believes it would be imprudent to cease production of the TOW II missile. The committee directs the Army to use the \$27.4 million requested for plant closure and production support to continue missile production.

Multiple launch rocket system

The committee recognizes that the Army has a plan to maintain the multiple launch rocket system (MLRS) production base until the extended-range version begins production. Under this plan, for approximately five months, the contractor will have to reduce the production rate to about half the so-called minimum sustaining rate. Additional foreign military sales (FMS) may materialize which would solve the problem. The committee urges the Administration to pursue FMS, especially for Korea. MLRS is a premier counter-battery weapon, and the Republic of Korea faces formidable artillery forces.

The committee has considered the merits of accelerating the schedule for the extended-range MLRS, but agrees with the Army that such action would be too risky at this time. The committee directs the Secretary of the Army to examine this issue in the coming year and notify the committee if an opportunity develops to accelerate the program. The committee urges the Army to consider a reprogramming action to prevent a production slowdown during the transition to the extended-range version.

Over the long term, the committee is concerned about the MLRS inventory, which will begin to decline precipitously in the next decade due to shelf-life limits. Even if requirements are reduced further due to force reductions and increased performance from the extended-range version, the Army's current plans for production rates of the extended-range MLRS will be far short of the level needed to sustain the required inventory. The committee directs the Secretary of the Army to report to the congressional defense committees, through the Director of Tactical Systems in the Office of the Under Secretary of Defense for Acquisition and Technology, on the Army's inventory requirements for MLRS and plans for sustaining it. This report shall be provided by April 15, 1995.

Stinger missile modifications

The current Stinger missile inventory of about 30,000 missiles is significantly less than the stated Army requirement. The committee is concerned that the Army will not be able to sustain even this minimum inventory due to shelf-life limitations and low planned production rates of modified missiles. The committee estimates that the Army will have to modify between 1,000 and 2,000 missiles a year to sustain the inventory over the long term. The Army intends to reprogram \$9.6 million to begin modifying Stinger missiles to the block I configuration. This amount will procure only 780 missiles but an additional \$5.0 million would provide almost 600 more. The committee therefore recommends authorization of an additional \$5.0 million.

The committee also stresses the importance of the planned Block II upgrade, which will provide improved capability to engage targets operating in clutter and using advanced countermeasures. The committee directs that no additional funds beyond those previously authorized be obligated or expended for tests of complementary missiles, since none of the candidates provide a "fire-and-forget" capability and are less cost-effective than the Block II Stinger, and since the Army has failed to provide a report on candidates

and flight tests. The committee also recommends \$5.0 million in PE 23801 (line 173) to accelerate the development of the Block II seeker.

Tank gun mounts

The committee understands that half the tank gun mounts for the M1 tank program for the Army, and all gun mounts for foreign military sales (FMS), are manufactured at an Army arsenal rather than by the M1 prime contractor. The committee considers this inappropriate and inefficient, and at odds with the goal of strengthening the tank industrial base. The committee directs the Army to allocate at least half of the FMS gun mount manufacturing to the prime contractor and maintain at least an even split of gun mount manufacturing for the Army M1 program in fiscal years 1995 and 1996. The committee directs that by the start of fiscal year 1997, all gun mount production for the M1 tank, for both the Army and FMS, shall be performed by the M1 prime contractor, unless the Under Secretary of Defense for Acquisition and Technology demonstrates to the congressional defense committees that it is more cost-effective to continue to maintain a production split between the private and public sector. This direction is consistent with the preference for private sector utilization expressed in Office of Management and Budget (OMB) circular A76, and with the conclusions of the Defense Science Board report on the tracked vehicle industrial base.

Tank engine industrial base

The National Defense Authorization Act for Fiscal Year 1994 directed the Defense Science Board (DSB) to create a blue-ribbon commission to study the tank engine industrial base. The committee understands that the DSB panel has concluded its study and recommends several actions to attempt to preserve a tank engine engineering and manufacturing base.

This manufacturing capability is based on continued operations at the Stratford Army Engine Plant (SAEP). The Army does not now require new tank engines, and, in the near term, the prospects for additional foreign military sales, which would require new engine production, are not favorable. The Army does require continued production of spare parts and engineering expertise to support the Abrams tank, but these needs could probably be met without operations at SAEP. Nevertheless, Army budget justification documents for fiscal year 1995 state that the Stratford Army Engine Plant "will be required through the year 2001 to accommodate demands for the tank upgrade program, to support the fielded fleet, and for potential Foreign Military Sales requirements."

The DSB concluded that the nation should retain the ability to produce new heavy tanks, if that can be accomplished at a reasonable cost and risk. Also, it is possible that engine durability tests scheduled to start this fall, and future Abrams modification programs, could lead to a remanufacturing or more comprehensive engine overhaul requirement for increased durability or performance. For either eventuality, preservation of SAEP likely would be necessary.

The DSB task force recommends that the Army fund \$20.0 million of engine overhaul work at SAEP, in addition to continuation of funding for necessary spare parts and engineering support. This measure, along with a progressive dual-use leasing arrangement and an aggressive plant downsizing effort, could permit the contractor to preserve operations at SAEP. The DSB notes that the success of this initiative depends on the development of commercial business at SAEP, which the DSB panel acknowledges is uncertain.

The committee is persuaded that the Department of Defense should attempt to preserve a tank manufacturing capability at the level of investment recommended by the DSB. Accordingly, the committee:

- (1) directs the obligation of remaining funds authorized and appropriated in fiscal year 1994, and authorizes an additional \$15.0 million in fiscal year 1995 for systems technical and engineering support, engine durability upgrade efforts, and plant downsizing for fiscal year 1995;
- (2) authorizes \$20.0 million in procurement for engine overhauls at SAEP in fiscal year 1995;
- (3) authorizes the request of \$15.3 million for procurement of spares;

(4) directs the Army to pursue a progressive dual-use leasing arrangement for SAEP; and

(5) permits the Army to apply other funds, such as funds requested for production base support, severance, and production continuity, to these efforts, as needed.

If the Secretary of the Army certifies that a tank engine industrial base is necessary and that the Army needs to buy new tank engines to protect that base, the committee would consider a reprogramming request by the Army for such purpose.

In addition, the committee directs the Secretary of the Army to develop a contingency plan in the event that SAEP is not viable over the long term. This plan shall include examination of alternative diesel or turbine engines for heavy tanks. The committee also believes that the Department of Defense must establish a deadline for determining whether SAEP will be viable. The committee directs the Secretary of the Army to recommend to the Under Secretary of Defense for Acquisition and Technology a schedule and milestones for measuring progress toward sustaining the Stratford plant with additional commercial business and report annually to the congressional defense committees.

The committee recommends the requested amount for operation and maintenance for depot activities at Anniston Army Depot in support of the M1 tank, in light of actions recommended elsewhere in this report, and since the Army can move engine overhauls forward.

120mm mortar

The committee recommends continued procurement of 120mm mortars to achieve the Army's inventory objective if funding is made available to the Army for fiscal year 1995. The committee notes that an additional \$30.0 million would buy out the Army's inventory objective of 1,322 weapons.

Army ammunition

The committee recommends a decrease of \$300,000 to the budget request for Army ammunition based on fact-of-life changes to the Army request.

The committee recommends an increase of \$78.3 million to the budget request for the following high priority ammunition programs:

Item	Dollars in millions
120mm HEAT-MP-T M830A1	18.2
25mm, all types	13.9
105mm HERA M913	21.4
MINE, AT/AP M87 (VOLCANO)	8.0
60mm mortar, M840	3.0
40mm, all types	4.3
5.56mm, all types	9.5
Total	78.3

This increase would be offset by the transfer of \$79.8 million in prior-year savings from the fiscal year 1994 authorization for the following Army ammunition programs:

Item	Dollars in millions
.50 cal cartridges	-5.6
35mm M968	-.7
105mm M490A1 TP-T	-5.0
105mm M490AT TP-T tank	-10.0
105mm M724A1 DS-TP	-5.0
105mm M724A1 DS-TP tank	-10.0
105mm M804	-10.0
M438-M864 conversion	-25.0
Upgrade/improvement of AT-4	-5.0
CAD/PAD, all types	-1.4
Ammo components, all types	-2.1
Total	-79.8

The savings are available due to fact-of-life changes in the fiscal year 1994 program.

Transfer of 155mm propelling charges

The committee directs the Army to transfer to the Marine Corps 17,000 155mm M203A1 red bag propelling charges. These items are to be transferred at no charge to the Marine Corps.

Demilitarization of excess SUU-30 dispensers

The committee recommends an increase of \$5.0 million to demilitarize or repackage, as appropriate, approximately 50,000 SUU-30 dispensers. This demilitarization program should be the result of a combined effort by the Air Force and the Army, with the single manager for conventional ammunition responsible for all demilitarization actions.

120 millimeter tank ammunition

The committee has learned that the Army plans to transfer the load-and-pack (LAP) operations for 120 millimeter tank ammunition from the Milan Army Ammunition Plant to another Army ammunition plant. The committee questions the cost-effectiveness of such a move at this time. Any final decision by the Army on this matter would be premature prior to the conclusion of the 1995 round of base closures.

Accordingly, the committee directs the Secretary of the Army to maintain the 120 millimeter tank ammunition LAP operations at the Milan Army Ammunition Plant until after the 1995 round of base closures and the Secretary certifies to the congressional defense committees that it would be cost-effective to perform this function elsewhere.

Ammunition demilitarization

The committee supports the budget request for ammunition demilitarization and the Army's plans to initiate demilitarization contracts for small, medium, and large caliber ammunition. The committee remains concerned, however, about the continuing practice of open burning and open detonation (OBOD) to dispose of the excess ammunition. This practice is used not only for ammunition, but for explosives as well. As discussed in the section of the committee report dealing with the research and development accounts, continued use of OBOD is neither economically nor environmentally sound.

Accordingly, the committee directs the Army to accelerate, where possible, the award of demilitarization contracts that make use of environmentally sound recycling and reuse technology. In addition, the committee directs the Army to work closely with the other military Services to identify recycling and reuse technologies or use contained destruction where appropriate. This will allow the Army, as well as the other military Services, to stop OBOD as soon as possible. The committee encourages the Army to prepare a comprehensive demilitarization plan that provides for both Army and commercial facilities to share responsibility for demilitarization.

Family of medium tactical vehicles

The budget request contained \$382.7 million to procure 3,535 medium trucks under the Army's family of medium tactical truck (FMTV) program. The Army's current plan is to procure 87,600 2.5 and 5-ton trucks over about 20 years, dating from fiscal year 1991. Total program cost is projected to be almost \$15.0 billion in then-year dollars. The average age of the Army's 2.5 ton trucks is already 23 years, and some of these trucks date from the Korean War. These old trucks performed poorly in Operation Desert Storm. At the rate the Army is buying FMTVs, however, they will continue in service for a long time.

In addition, because the program is so stretched out, annual quantities do not justify competitive procurement, in the Army's opinion. Also, this stretched-out procurement plan encouraged the reserve components to demand a near-term service-life extension program (SLEP) for their trucks due to concerns that the reserves would have to wait too long to receive FMTV trucks. The Army signed a multi-year procurement contract for this effort, but has failed to request funds to continue the program in fiscal year 1995, due to budget constraints. The committee notes that the reserve component established the truck SLEP before the recent decisions to downsize the Army substantially. The effect of this downsizing, according to the Army, is that the reserves are slated to begin receiving trucks off the FMTV line within a year of the active forces.

Meanwhile, the Marine Corps is also in need of improved trucks due to the age of its fleet. The Marine Corps relies today on the same trucks used by the Army. The Marine Corps and the Army were jointly developing the FMTV program, and according to the Army, Marine Corps-unique requirements were incorporated into the FMTV program. Now, however, the Marine Corps claims that the FMTV program will not meet its needs and has requested funds for a service-life extension and upgrade program for its medium tactical trucks. The Marine Corps cost and operational effectiveness analysis (COEA) purports to show that the Marine Corps program is significantly superior to the FMTV system in every measure of merit (cost, cross-country mobility, speed, and payload). This COEA raises the question of whether the FMTV program is the best choice for the Army's 5-ton truck requirement.

The Department now has three separate tactical truck programs for ground forces, none of which appears to be adequately funded. The committee believes that an effort must be made to determine if these programs can be consolidated and made more affordable.

Accordingly, the committee directs the following actions:

- (1) The Joint Requirements Oversight Council (JROC) shall review all requirements for medium tactical trucks and determine whether a common set of requirements for all Services' active and reserve components can be established.

- (2) The Under Secretary of Defense for Acquisition and Technology (USD(A&T)) shall review the Marine Corps medium tactical truck COEA and explain why the Marine Corps truck proposal is not also the best buy for the Army.

- (3) The USD(A&T), in conjunction with the JROC, shall determine whether a single acquisition program can satisfy the needs of all users. The Under Secretary shall consider the merits of mandating that an appropriate share of new or improved trucks be specified for the reserve components.

(4) The USD(A&T) shall study what savings could be achieved, if any, by a consolidated procurement, establishment of a second source for the Army's FMTV program, and an accelerated production profile.

(5) The Secretary of the Army shall ensure that the Army obtains rights to the FMTV technical data package before the current multiyear procurement contract expires.

The committee directs that none of the funds authorized for the Marine Corps truck upgrade program and no more than 75 percent of the funds authorized for the FMTV program may be obligated until the USD(A&T) reports to the congressional defense committees on the results of these reviews and any recommendations he may have.

Palletized loading system

The Army has decided to cease procurement of so-called demountable cargo beds, or "flatracks," for the palletized loading system (PLS) because of declines in the overall budget. The committee understands the Army's budget situation, but is troubled by this decision.

The PLS concept was to field a number of large trucks along with a much larger number of flatracks for efficient ammunition delivery. The flatracks could be loaded with ammunition at a supply point, and hoisted onto an arriving heavy truck returning with an empty rack. Similarly, at the delivery point, the fully loaded flatrack could be dropped off intact, and empty racks could be picked up. The point was to limit the amount of time that scarce, expensive trucks would have to wait at pickup and delivery locations, and to limit the downtime of support personnel. The flatracks are the least expensive part of the system, but clearly the concept will not work without an adequate number of racks.

Unfortunately, that is precisely the position the Army is now in. It has bought almost all the trucks it requires, but is far short of requirements for flatracks. The Army requirement for flatracks for the ammunition mission alone is 51,000; to date, the Army has procured only about 14,000. At that level, the purpose of the PLS initiative cannot be realized.

Accordingly, the committee recommends \$20.0 million to continue procurement of flatracks in fiscal year 1995. The committee directs the Secretary of the Army to analyze the effect of flatrack shortfalls on the PLS concept of operations and on fire-support effectiveness under the two major regional contingency planning scenarios. The Under Secretary of Defense for Acquisition and Technology shall review this analysis and forward the results to the congressional defense committees by April 1, 1995.

Echelon above corps communications

The committee recommends a \$37.8 million increase to the echelon above corps (EAC) communications program to initiate an Army-wide tactical switching modernization program. This multi-year program includes downsizing circuit and message switches and associated software upgrades, takes advantage of advances in communications technology, and corrects operational deficiencies identified after Operation Desert Storm. The committee expects the Army to continue this effort in fiscal years 1996 and 1997.

Commander's tactical terminal

The budget request contained \$8.2 million for the procurement of the commander's tactical terminal (CTT). This small, easily transportable terminal receives critical intelligence broadcasts from collection systems at all levels, such as Guardrail, the U-2, the RC-135 Rivet Joint aircraft, and national assets. The Army has been understandably enthusiastic about this program for several years. The committee is informed that the Army could accelerate fielding of CTT to the contingency force by two years simply by allocating an additional \$5.0 million to the program in fiscal year 1995. The committee cannot understand why the Army would hold up a program like this for such a small amount of money.

The committee recommends an additional \$5.0 million for this program. The committee expects the Army to avoid shortchanging this program in the future.

Air defense alerting devices

Critical to the air defense mission is an ability to alert forces to the presence of potentially hostile aircraft. Existing air defense systems have difficulty acquiring targets in clutter beyond short ranges. This deficiency is due, in part, to the inability of sensors to cue and track targets.

The committee understands that there may be non-developmental items (NDI) that could assist Army ground forces in alerting air defense forces. The committee believes that the Army should investigate the potential for evaluating such NDI equipment to help fulfill this mission and for deploying candidate systems showing promise.

Night vision weapon sight replacement program

The committee continues to support efforts to maintain U.S. military forces' advantage in night vision capabilities that enables U.S. forces to "own the night". This advantage is derived, in large measure, from the availability of superior night vision technology to individual soldiers.

The Army currently has over 20,000 night weapon sights that incorporate older technology developed in the 1970s. The committee is aware that recent improvements in image intensification technology (generation III) would double the detection range of the currently fielded Army weapon sights. Moreover, the generation III tube is a direct drop-in replacement for the older tube, so no system modification costs are incurred. The Army's Dismounted Battle Lab recently documented the advantage of the new tubes and recommended procuring and fielding them as soon as possible.

The committee believes that future procurements of night vision devices should be limited primarily to those with generation III capabilities and recommends an additional \$2.25 million to procure 500 generation III image intensification tubes for retrofit into existing weapons sights. The committee urges the Army to include funds in future budget requests to continue replacement of older technology tubes with generation III tubes.

Advanced field artillery tactical data system

The Army is developing a new system to increase the speed with which information is shared among fire support forces, called the advanced field artillery tactical data system (AFATDS). The committee believes that this system will provide much needed capability improvements.

The committee understands, however, that the contract award date for AFATDS has been delayed until fiscal year 1996. Therefore, the committee recommends a reduction of \$29.0 million to the budget request.

Automated test equipment

The committee continues to support a single family of automated test equipment for the Army. The committee notes that the Army has not completed the congressionally-mandated report on the feasibility of incorporating existing test equipment into the integrated family of test equipment (IFTE), as well as other issues. The committee therefore directs the Army to continue to utilize direct support electrical systems test set (DSESTS) equipment and to incorporate the DSESTS into the IFTE family where the DSESTS is more cost-effective.

Chemical/biological protective shelter

The budget request included \$9.539 million for chemical/biological protective shelters for the Army. The committee understands that as a result of program delays and a compressed acquisition schedule, it may be difficult to use fiscal year 1995 funds the first year they are available. In order that the funding profile for this program correspond much closer to actual project milestones, the committee recommends that funds for this program be included in the fiscal year 1996 budget request. Accordingly, the budget request has been reduced by the requested amount.

Refrigeration equipment

The budget request included \$4.8 million for the procurement of refrigeration equipment. The General Accounting Office (GAO) has informed the committee that schedule delays will preclude the Army from

awarding contracts in fiscal year 1995. The GAO recommends a reduction of \$2.9 million from the requested level. The committee therefore recommends \$1.9 million for this program.

Causeway systems

Last year, the committee expressed concern that the Army and the Navy were procuring two different systems for conducting the same logistics-over-the-shore (LOTS) mission. The committee continues to believe that operating common equipment could provide enhanced support of joint operations, lower life cycle costs, and reduced acquisition costs, through more efficient production rates and eliminating such costs as licensing fees.

The committee directed the Secretary of Defense to submit a report comparing the Army's barge ferry system and the Navy's elevated causeway system. This report was to consider:

- (1) inter-operability and compatibility;
- (2) government ownership of design rights pertaining to each system;
- (3) suitability for joint LOTS operations; and
- (4) safety and training considerations.

The Department has not submitted the required report. Nevertheless, the Army requested \$14.3 million for causeway systems in the fiscal year 1995 budget. The committee understands that the Army's causeway system could still be delivered on the same schedule if funds are budgeted in fiscal year 1996.

The committee recommends no funding for Army causeway systems in fiscal year 1995, delaying funding until fiscal year 1996 without prejudice. This would allow the Department additional time to prepare its report containing information that should form the basis for more rational decisions on LOTS mission equipment.

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F/A-18 C/D aircraft

The budget request included \$1,117.2 million to purchase 24 F/A-18 C/D aircraft. The Navy is developing a newer version of the F-18, called the F/A-18 E/F, that will have greater range and payload capabilities. The Navy intends to start production of this new variant in fiscal year 1997. In large measure, the Navy is continuing production of the F/A-18 C/D to maintain a warm production base while development of the F/A-18 E/F is completed.

The committee recommends 17 aircraft and \$826.7 million for F/A-18 C/D production. The committee believes that 17 aircraft for the Department of the Navy, in addition to foreign sales, will be sufficient to maintain production. The Navy should plan to buy the more capable version in greater quantities when it becomes available.

CH/MH-53E helicopters

Last year, the Navy had planned to buy 4 CH-53E aircraft in fiscal year 1995. However, the actual budget request for fiscal year 1995 included only \$41.1 million to close the CH-53 production line. This decision reflected a broader Navy plan that included:

- (1) shifting CH-53E helicopters from Navy vertical on-board delivery (VOD) squadrons to the Marine Corps;

(2) back-filling VOD squadrons with MH-53Es from airborne mine countermeasures (AMCM) squadrons; and

(3) outfitting some air-cushion landing craft (LCAC) with mine countermeasures equipment, making it an "MCAC."

These actions persuaded the Navy that it could truncate procurement of the CH-53Es at the end of the fiscal year 1994 buy.

The 4 CH-53Es that the Navy had planned to buy already represented a reduction from previous estimates, which had included purchases of MH-53Es as well. This change reflected in part a Navy decision to reduce AMCM force structure.

Last year, concerned about apparent year-to-year inconsistencies in the Navy's force structure plans, the committee asked the Navy for a study of mine countermeasures force levels. The Navy has provided this report. It concluded that the overall mine countermeasures force structure is marginally adequate to support the mine countermeasures scenarios that the Navy studied. Unfortunately, the report analyzed requirements only for sea lines of communications (areas like the Straits of Hormuz or the Sea of Japan). It did not deal with mine countermeasures operations to support port operations or amphibious operations.

Unfortunately, the committee believes that it may be seeing the first signs of returning to old habits: we get to relearn mine countermeasures history every time we face a real mine threat. The committee believes that the Navy has not sufficiently justified cutting this important force structure. Therefore, the committee recommends an additional \$60.0 million for buying four CH-53 helicopters. This will help support Marine Corps and Navy VOD lift requirements and preclude the need to reduce AMCM force structure.

The committee reserves judgment on the MCAC concept. This proposal may have merit, but it is still in its formative stages. Discarding an actual AMCM capability in favor of an undeveloped concept would be premature.

EA-6B electronic warfare aircraft modifications

The budget request contained \$38.4 million for EA-6B aircraft modifications.

The Navy recently canceled the EA-6B advanced capabilities (ADVCAP) upgrade program, but has no plans to retire or replace its fleet of EA-6Bs. Also, the Navy has indicated to the committee it is awaiting the results of a joint Navy/Air Force electronic warfare study before recommending any future upgrades to the EA-6B. The committee is concerned that any delay in making prudent upgrades to this aircraft could prevent the Navy from capitalizing on its prior ADVCAP investment.

Therefore, the committee directs the Secretary of the Navy to carry out expeditiously a lower cost alternative program to the ADVCAP program. The committee intends to consider reprogramming requests to use funds previously provided for the EA-6B ADVCAP program only if the committee believes that the alternative program is robust enough to meet the Defense Department's needs.

F-18 modifications

The General Accounting Office has identified \$40.0 million in excess fiscal year 1993 funds for F/A-18 aircraft modifications. The committee recommends a reduction of this amount to the fiscal year 1995 request of \$86.1 million.

P-3 series modifications

Last year, the committee endorsed the concept of adapting the P-3C aircraft to better support operations in potential Third World crisis situations. The committee, however, was concerned about the degree of concurrency between testing and procurement in the P-3 anti-surface warfare (ASUW) improvement program

(AIP). Similarly, the statement of managers accompanying the conference report on H.R. 3116 (H. Rept. 103-339) stated that the ". . . ASUW improvement program may be initiated in Fiscal Year 1994, but funds for 12 of 13 proposed systems are deleted until program testing has commenced . . ."

The Navy has testified that the P-3 AIP program will be ready to begin program testing in December 1994. The fiscal year 1995 budget request contained no funding for the P-3 AIP. The committee believes that the Department of Defense may have misinterpreted congressional intent by deleting all P-3 AIP funding from the Navy's budget request.

The committee believes that the P-3 AIP program merits funding in fiscal year 1995. Accordingly, the committee recommends \$136.3 million for P-3 modifications, an increase of \$32.0 million from the requested level. Of this amount, the committee intends \$25.0 million to provide for component testing, the development of a logistics and training infrastructure, and the procurement of additional systems. The remaining \$7.0 million should be used to complete procurement of new computers for the P-3C update III program, a separate action necessary for P-3 AIP.

Common ECM equipment

The General Accounting Office has identified excess fiscal year 1994 funds that were appropriated for Navy common electronic countermeasures (ECM) equipment. The budget request for fiscal year 1995 included \$12.7 million for this program. The committee recommends that the request be denied and that prior year funds be made available for fiscal year 1995 requirements.

Trident submarines

The committee understands that the current Future Years Defense Program (FYDP) document does not contain required out-years funding for either the option to backfit Trident II (D-5) missiles into the eight west coast Trident submarines, or to maintain the existing Trident I missile capability in those submarines. The committee directs the Secretary of Defense to ensure that one of these two options is adequately funded in the next FYDP submission.

Weapons industrial facilities

The committee recommends \$28.5 million to continue the modernization of Allegany Ballistics Laboratory, a government-owned, contractor-operated facility in West Virginia that currently produces propulsion units for Navy missiles.

Navy machine gun ammunition

The budget request included \$14.2 million for Navy machine gun ammunition. Included in this amount is funding for 20mm PGU-27 ammunition and 25mm PGU-32 ammunition. The committee is concerned about the inventory levels of these two type rounds and therefore designates both type rounds as items of special interest. The committee intends that no reprogramming of these two type rounds be accomplished without prior committee approval.

Submarine vendor industrial base

The Navy has completed a number of analyses of the nuclear submarine industry. Although these analyses have identified several potential problem areas, the committee is not convinced that the Navy is focusing appropriate attention on the portion of the vendor base that are second and third tier contractors furnishing equipment directly to the prime contractors.

The committee believes that the Navy should more explicitly identify the situations for specific capabilities and vendors that merit government intervention, and the resources that the Navy has programmed to support that intervention.

LHD-7 amphibious assault ship

In reviewing the DOD budget request, the committee found it necessary to choose between two programs that it considers extremely important to national security-strategic sealift and LHD-7, an amphibious assault ship. In the final analysis, the committee revised the DOD budget priorities in order to lower the long-term cost of fielding the military capability inherent in these two programs.

The operational requirement for both was clear. In written reports and testimony at committee hearings, a series of senior military leaders, including the Vice Chairman of the Joint Chiefs of Staff, the Commander-in-Chief of the U.S. Central Command, the Chief of Naval Operations, and the Commandant of the Marine Corps, have confirmed the strong military requirement for LHD-7 as the anchor for a twelfth amphibious ready group (ARG). Its contributions to amphibious operations and superb command and control capabilities are clearly important components of the naval force structure envisioned by ". . . From the Sea", the Navy's blueprint for the next century.

The case for additional strategic sealift to implement recommendations made in the Joint Staff's mobility requirements study is also compelling. As a consequence of lessons learned during Operation Desert Storm, the Ready Reserve Force (RRF) is expanding by acquiring up to 19 large medium-speed roll-on/roll-off ships (LMSR) in order to pre-position afloat the equipment for an Army armored brigade and for surge sealift to rapidly deliver cargo to areas of conflict.

In developing its fiscal year 1995 budget request, DOD included \$600.8 million in the National Defense Sealift Fund to exercise contract options on two LMSRs. The Department acknowledged the requirement for another LHD by including advance procurement funding for LHD-7 in future years. The Department, for affordability reasons, however, could not include LHD-7 in the fiscal year 1995 budget request.

Given a strong requirement for both programs, the committee carefully considered the acquisition strategy reflected in the Navy's shipbuilding plan. It appeared that breaking the LHD production line and then restarting it in the year 2000 made little sense if the objective was to obtain a given capability at the lowest price to the taxpayer. The cost impact was estimated at several hundred million dollars. Also, the contract option on LHD-7 will expire on December 31, 1994 while the contract option on the two sealift ships will not expire until December 31, 1995. Taking such diverse military and economic factors into account, the committee determined that the best course of action to pursue in fiscal year 1995 was to defer authorization of the two sealift ships until fiscal year 1996 and, instead, use the funds allocated for these two ships in the budget for authorization of LHD-7. This will permit all ships to be acquired at a favorable price without loss of their contract options. The committee acknowledges that the \$600.8 million available in the NDSF is insufficient to fully fund LHD-7 in fiscal year 1995. The committee firmly believes that full funding is the correct way to budget for procurement in the DOD budget. It departed from this policy reluctantly, and only after spirited debate. In the case of LHD-7, however, the committee decided that the cost-effective acquisition of this ship warranted such a departure. Further, this action should not be construed as a lessening of support for the strategic sealift program, which the committee continues to believe is a vital element of our national security.

Assuming appropriation of the necessary funds, the committee authorizes LHD-7 with the understanding that the Navy will exercise its contract option for LHD-7 before the option expires, and include the residual increment of funding for the ship in its fiscal year 1996 budget. Further, the committee affirms that it desires the Navy to include funding for the two LMSRs deferred by the committee's action on LHD-7 in its fiscal year 1996 budget and exercise its contract option before December 31, 1995.

Combat logistics forces

The budget request included \$30.6 million for conversion of one ammunition ship (AE) and \$22.8 million for conversion of one stores ship (AFS). The committee report on S. 3114 (S. Rept. 102-352) directed the Navy to submit a report on alternatives for maintaining combat logistics forces capability with a fleet consisting of either 12 or 10 aircraft carriers. The Department submitted an interim report in October 1993, with a promise to provide the final report with the fiscal year 1995 budget request.

The Navy Department has not submitted the report. The committee remains concerned that the Navy does not have a coherent plan for its combat logistics forces that reflects force structure concepts implied in the Bottom-Up Review.

The committee recommends no authorization for conversion of logistics force ships in fiscal year 1995.

Ship alterations

The Navy is launching a campaign to expand the opportunities for getting women to sea at a more rapid pace. The Navy has requested funds to modify a number of ships to add sea duty billet opportunities for women. The committee understands that the Navy has identified additional opportunities beyond those that were foreseen when the Navy submitted its budget request.

The committee recommends an additional \$5.0 million for performing surface ship alterations to facilitate assigning women to sea duty billets.

Surface ship torpedo defense (SSTD)

Unresolved technical issues have raised doubts about the feasibility of a major portion of the surface ship torpedo defense program. In December 1993, the committee learned that the surface ship torpedo defense (SSTD) program was experiencing developmental problems. At present the operational testing of the SLR-24 torpedo detection subsystem is in disarray, and the program is not ready to begin production.

As a consequence, the committee recommends \$21.4 million for surface ship torpedo defense procurement, a reduction of \$10.5 million from the requested level.

Sonobuoy procurement

The statement of managers accompanying the conference report on the Department of Defense Appropriations Act for Fiscal Year 1994 (H. Rept. 103-339) directed the Navy to submit a report on sonobuoy inventories, projected over a five-year period, that accounted for shelf life, procurement and usage rates, and future requirements. The Assistant Secretary of the Navy for Research, Development, and Acquisition sent the report to Congress on April 13, 1994.

The report, which was based on a very thorough inventory, indicated that the quantities of sonobuoys authorized and appropriated in fiscal year 1994, and those requested in the 1995 budget request, did not properly reflect actual Service requirements. The Navy has initiated a reprogramming request to shift fiscal year 1994 funds to procure the proper mix of sonobuoys.

The committee recommends the following authorization to reflect actual fiscal year 1995 requirements:

Sonobuoy	Dollars in millions
AN/SSQ-36	\$2.3
AN/SSQ-53	0
AN/SSQ-62	\$22.5
AN/SSQ-77	0
AN/SSQ-86	\$2.4
AN/SSQ-110	\$37.2

Expeditionary airfields

The Marine Corps has equipment, called expeditionary airfields, that enables it to operate tactical aircraft from unimproved airfields. The committee report on S. 1298 (S. Rept. 103-112) directed the Secretary of the Navy to provide a report to the congressional defense committees identifying what would be required to have Navy squadrons operate from expeditionary airfields. The committee was concerned that integration of Marine Corps squadrons into carrier air wings might degrade their ability to provide close air support. The committee asked for various information, including:

- (1) additional expeditionary airfield investment;
- (2) additional spares and support equipment for Navy squadrons; and
- (3) additional training that Navy squadrons might require.

The committee has received a report. The Navy's report says, "Additional spares and repair parts, aviation support equipment, mobile facilities and miscellaneous items to support automatic test equipment (ATE) may be necessary to support the maintenance effort of the squadron." The committee is pleased that the Navy was able to produce a report. Unfortunately, the report provides no illumination of requirements for additional spares and support equipment that Navy squadrons could require, or the associated costs.

The committee reiterates its broader concerns about close air support for Marine Corps forces, including how the Navy will provide squadrons (Navy or Marine Corps) with adequate close air support training. Because of other deficiencies (such as naval shore fire support), tactical aviation providing close air support is relatively more important for a Marine Corps expeditionary operation than for other operations.

The committee understands that the Department of the Navy may be considering further expansion of the integration of Marine Corps tactical aircraft squadrons aboard aircraft carriers. Based on the Navy's report and other information, the committee sees no evidence that the Navy has adequately planned for maintaining close air support capability under the current arrangement. There is even less evidence that the Navy has any plan for maintaining this capability while making further shifts of Marine Corps squadrons away from the Fleet Marine Forces. The committee is concerned that, unless the Department has fully investigated the ramifications of providing additional tactical aviation support for Marine Corps forces, such action would be premature. The Navy should develop a mechanism for gauging close air support capability. In the absence of a thorough plan, and mechanisms for evaluating changes in capability, the committee will oppose such a move.

Marine Corps ammunition

The committee recommends a decrease of \$12.0 million for 155mm M203A1 red bag propelling charges based on the transfer of these propelling charges from the Army to the Marine Corps.

The committee recommends an increase of \$5.0 million for .50 caliber SLAP ammunition.

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C-130 tactical airlift modernization

Last year, the committee was made aware of a proposal by the C-130 contractor team to develop a follow-on C-130 aircraft, called the "C-130J." The goals of this C-130J upgrade would be improved performance and reduced operating and support costs.

The committee has expressed its concerns about tactical airlift modernization on numerous occasions. The committee was interested in the C-130J proposal, but asked the Air Force to develop more information about the proposal. Although the Air Force has not provided the report, the committee understands that the Air Force finds the proposal an attractive alternative for modernizing active tactical airlift squadrons. The committee received testimony from the Commander of the Air Combat Command indicating that the Air Force was very interested in this aircraft to modernize the fleet.

The committee understands that the Department of Defense has approved a proposal to use fiscal year 1994 Guard and Reserve procurement funds to procure 2 C-130Js, and deliver these aircraft to the active Air Force. Under this proposal, the active Air Force would, in turn, transfer two C-130Hs purchased with fiscal year 1993 funds directly to the Air National Guard from among those scheduled to be delivered to the Air Force in mid-1994. The committee understands that these two aircraft would be used in the testing program and would help lead to FAA certification of the configuration that the Air Force would want to buy.

The committee believes that the Department should implement such an arrangement, based on the preliminary reports from the Air Force and the Air Combat Command. This is the first positive sign in a couple of years that the Air Force and the Department may be seriously considering the plight and overdue modernization of the active component of our tactical airlift forces.

Joint surveillance target attack radar system (JSTARS)

The budget request included \$564.2 million to modify two aircraft to the JSTARS configuration.

The committee has been a longstanding supporter of the JSTARS program and the capability that the system will provide to U.S. operating forces. Even as a developmental platform in the Persian Gulf War, the JSTARS system showed enormous potential. The committee believes that the Department should acquire this capability as rapidly and efficiently as possible. In that light, the Secretary of the Air Force has informed the Congress that there may be an opportunity to purchase a number of used B-707 aircraft in a common configuration that could later be modified to the JSTARS configuration. Having the same configuration aircraft would yield significant savings throughout the life of the program by streamlining the operation and support infrastructure costs. The Air Force believes that this proposal could also yield nearer-term acquisition savings.

Therefore, the committee recommends an additional \$99.9 million to purchase used B-707 airframes of common configuration for later use in the JSTARS program.

F-16 modifications

The budget request included \$157.2 million dollars for various modifications for F-16 aircraft. The committee understands that the budget request can be reduced by \$36.7 million. The Air Force has canceled one planned modification, and the costs of two others are less than previously estimated. Therefore, the committee recommends \$120.5 million.

C-135 modifications

The budget request included \$103.4 million to perform various modifications to the fleet of C-135 aircraft. Included within these funds were \$16.7 million designated for making various communications and electronics upgrades that will not be ready for contract award until fiscal year 1996. The committee recommends \$86.7 million for C-135 modifications.

Tri-Service standoff attack missile

The budget request contained \$66.7 million for the Navy, and \$81.1 million for the Air Force, to continue development of the tri-Service standoff attack missile (TSSAM). The budget request also contained \$373.9 million in procurement to begin low-rate initial production of the Air Force's combined effects bomblet (CEB) version of the missile. Finally, the budget request included \$82.5 million to pay for termination charges to cancel the Army portion of the program.

TSSAM is designed to provide the Air Force and the Navy with a weapon that can survive the heaviest air defenses and attack high value targets. The TSSAM payoff comes from reducing the exposure of manned aircraft to enemy air defenses and a higher probability of successfully attacking the toughest targets than any alternative standoff weapons. The TSSAM is an essential program for providing enhanced standoff capabilities in many existing and planned platforms.

The TSSAM program has experienced technical problems in the testing program since last year. When the missile works, performance meets or exceeds specifications, providing the designed capability to attack the most heavily defended targets. However, a series of process control problems has plagued the program. The Air Force, as manager of the joint program, has been disappointed with the contractor's performance, but has begun to see improvements in various program management indicators.

The committee, adhering to its longstanding "fly-before-buy" philosophy, believes that the Air Force budget should reflect the current testing delays, by delaying production until testing can demonstrate the expected performance and reliability.

Therefore, the committee supports the Air Force and Navy budget request for research and development, but recommends a reduction for Air Force procurement of \$65.8 million. The committee directs that none of the fiscal year 1995 production funds be obligated until the testing program has: (1) achieved all contractual exit criteria for proceeding to the next phase of the program, and (2) passed the standards set forth in the classified annex to the statement of managers accompanying the conference report on the Department of Defense Appropriations Act for Fiscal Year 1994 (H. Rept. 103-339).

The committee also understands that \$50.0 million of the funds in the Army's TSSAM budget request are excess to termination requirements, and recommends a similar reduction.

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Joint service imagery processing system

The committee is disturbed by the collapse of the joint Service imagery processing system (JSIPS). Each Service now appears to be proceeding unilaterally to acquire a deployable imagery processing capability. The committee directs that no deployable imagery processing system other than JSIPS be fielded unless and until there is formal agreement to a plan that will ensure that every such system will be compatible and interoperable. This plan shall be submitted to the congressional defense committees.

The budget request included \$22.4 million for RDT&E and \$47.6 million for procurement of the JSIPS program in fiscal year 1995. The committee understands that the restructured program will require \$28.3 million in RDT&E and \$41.7 million in procurement in fiscal year 1995. The committee recommends an authorization of these amounts in PE 35154D and in line 3 of defense-wide procurement, respectively. Corresponding decreases in Service procurement accounts are recommended to offset the additional amount in defense-wide procurement.

Programs included in the defense airborne reconnaissance program

The committee is concerned about the inconsistent criteria for including airborne reconnaissance programs under the management of the Defense Airborne Reconnaissance Office (DARO). The committee agrees that the DARO cannot practically absorb additional programs in fiscal year 1995, but directs that the Guardrail and ES-3 programs be included in the defense airborne reconnaissance program with the submission of the fiscal year 1996 defense budget request. The DARO director shall also inform the congressional defense committees of his evaluation of the arguments for and against inclusion of the Army's air reconnaissance low program, the Navy's reef point program, and the Navy's BGPHEs program.

Global command and control system

The committee is pleased with the progress made by the Department of Defense in developing and validating the "C4I for the Warrior" concept, which was developed by the Joint Staff. This concept has been applied to the global command and control system (GCCS) program, which will replace the worldwide military command and control system (WWMCCS). The committee directs the Defense Information Systems Agency and the Services to curtail all but minimum, essential efforts in support of the WWMCCS system. WWMCCS maintenance (both hardware and software) should be undertaken only to correct or prevent critical failures. Resources made available through reductions in WWMCCS sustaining efforts should be redirected to the GCCS program.

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National Guard and reserve equipment

The committee has consistently and strongly supported the equipment modernization of the reserve components. In previous years, the committee has authorized additional funds for the National Guard and

reserve components to procure the most modern combat equipment. Last year, the committee took the first steps toward refocusing these funds toward those activities that meet important military needs, and also enhance the capability of the reserve components to assist civilian authorities.

The committee continues to believe that the reserve components can make important contributions to this effort. The National Guard, which has a dual mission in support of the states, is particularly well-situated to assist civilian agencies in meeting civilian needs.

Therefore, the committee recommends additional funds for the National Guard and reserve components in broad categories, such as medical equipment, aviation and aeromedical equipment, construction and transportation equipment, and electronic and communications equipment, as outlined in the attached table. Last year, the committee noted the special situation for night vision devices. While some could consider these devices to have solely military missions, the committee notes that they apply to the civil mission of the National Guard and should be considered in that category.

To ensure that the funds are spent for the highest priority items, the committee directs that none of the funds in these areas may be obligated until the Chief of the National Guard Bureau and the head of each reserve component report on the proposed use of such funds in accordance with established reprogramming procedures.

LEGISLATIVE PROVISIONS

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Chemical agents and munitions destruction

The budget request included \$575.3 million for the chemical agents and munitions destruction program. Of that amount, \$355.5 million is for operation and maintenance (O&M); \$208.4 million for the procurement of all process and support equipment used in the disposal facilities for destroying the unitary chemical stockpile, spare parts, capital equipment for the chemical stockpile emergency preparedness program (CSEPP), and equipment for the non-stockpile materiel program; and \$11.3 million for the research and development of equipment to recover and treat non-stockpile chemical materiel with alternative technologies.

REPORT ON ALTERNATIVE TECHNOLOGIES

On April 12, 1994, the Army submitted a report to Congress endorsing numerous recommendations by the National Research Council (NRC) of the National Academy of Sciences on potential alternatives to the baseline disassembly and incineration process.

The Army has endorsed the NRC recommendation to study a stand-alone neutralization process and neutralization with a secondary treatment of biological treatment as a potential alternative technology for use at the two low volume waste sites located in Indiana and Maryland.

The Army also endorsed the following NRC recommendations: implementation of an enhanced stockpile surveillance program for the M55 rockets; implementation of an enhanced public outreach program; updated risk assessments; and procurement and installation of carbon filters in the pollution abatement system at Tooele and other sites. Funds to implement these recommendations were not included in the fiscal year 1995 budget request because the report was concluded after the budget was submitted to the Congress.

The committee recommends an \$8.0 million increase to operation and maintenance to support Army implementation of the following NRC recommendations: updated risk assessments for storage, handling, and disposal activities at each site; an enhanced stockpile surveillance program; and a public outreach program.

Additionally, the committee recommends authorization of \$215.265 million for procurement, an increase of \$6.8 million to the fiscal year 1995 budget request. Of the funds available, the committee recommends that \$22.5 million be used for the procurement request of carbon filtration systems and ancillary equipment for the pollution abatement system at Tooele Army Depot and equipment modification design for all sites.

Lastly, the committee recommends authorization of the \$25.0 million appropriated in the Department of Defense Appropriations Act for Fiscal Year 1994 for research and development of alternative technologies. The committee also recommends that unobligated fiscal year 1992 procurement funds for the cryofracture program be used to complete the design of the cryofracture facility.

DESTRUCTION OF THE CHEMICAL STOCKPILE

Citizens in the communities surrounding the U.S. chemical stockpile storage depots, where the destruction facilities are to be constructed, want to delay the destruction of the stockpile using the baseline process so that an alternative technology can be developed. They are concerned that international agreements and legislative mandates are driving the destruction schedule of the U.S. chemical stockpile without consideration of their concerns about the health and safety risks of using the baseline process.

In response to questions raised about concerns of citizens in a hearing before the committee, witnesses from the Department of Defense, the Department of the Army, the General Accounting Office, and the NRC testified that destruction of the U.S. chemical stockpile was a national priority, regardless of legislative mandates and international treaties requiring the stockpile to be destroyed by a certain date. Additionally, both the Army and the NRC recommended that the disposal program not be delayed while research and development is conducted on an alternative technology. The risks associated with alternative technologies are not known, and the technical feasibility of alternative technologies has not been proven. As such, delays in the disposal program would result in higher overall risk.

LATENT HEALTH EFFECTS OF EXPOSURE TO LOW LEVELS OF CHEMICAL AGENT

The committee directs the Department of the Army to work with the DOE national weapons laboratories to demonstrate, utilizing existing technologies and resources, programs to detect low level exposure to chemical weapons. The committee recommends a technology developed at the national weapons laboratories to detect the paths and means by which chemical agents affect human DNA (adducts to DNA) to determine how long after initial exposure to chronic and acute levels of chemical weapons agents can be detected. Another technology developed at the national weapons laboratories which should be pursued further is re-usable aerogels for toxic gas collection and stack emissions reduction, or other chemical abatement technologies associated with CW destruction. Of the funds available to the Department for the research and development of alternative technologies, \$2.0 million may be utilized for these programs. These programs also have application in the chemical and biological defense program.

PUBLIC OUTREACH PROGRAM

The committee is concerned that the Army's efforts to explain its chemical stockpile disposal program to local communities near the stockpile sites have not been effective. The committee recognizes the Army may not have been prepared or funded to conduct such an important and substantive program, and recommends \$500,000 to be derived from funds authorized in the operation and maintenance account for this purpose.

CRYOFRACTURE

The Congress has supported the development of cryofracture as a means to demilitarize chemical munitions. The process has the potential to solve numerous problems with baseline disassembly, especially in demilitarizing mustard-filled projectiles in which the agent is often not in liquid form. Cryofracture is particularly attractive because the condition of the agent is not critical to the process. The baseline facility on Johnston Atoll has not demonstrated it could achieve satisfactory throughput rates for mustard filled projectiles during operational verification testing phase IV.

The committee has seen no analysis or scientific evidence to support the Department of Defense preference not to construct a cryofracture facility for the destruction of the mustard-filled projectile stockpile at Pueblo, Colorado. The NRC conclusion that energetics and agent cannot be incinerated in the same kiln, and the risks posed by a mixed feedstream, appear to be subjective in nature.

Since the Department has not built a cryofracture facility, the contention that a cryofracture facility should not be built because cryofracture is an "immature technology" is specious. The lack of credible justification, evidenced by statements such as this, detracts from the Department's position. The committee is not convinced that the Department has made a reasoned or wise decision.

Further, the Department's inclination not to build a cryofracture facility forecloses a high potential alternative to accessing the agent in chemical weapons, and has implications for the ability of other countries to destroy their weapons.

M1A2 upgrade

The committee believes that the Army must improve the electronics capability of the M1A2 tank to ensure that it meets the requirements of the Total Force for embedded digitization. The Army's request for battlefield digitization includes \$18.0 million for this purpose. The committee directs that no less than that budgeted amount be dedicated to M1A2 improvements and recommends an additional authorization of \$3.0 million.

The committee also believes that the Army should accelerate incorporation of the second-generation forward-looking infrared sensor and an eye-safe laser for the M1. Accordingly, the committee recommends an additional \$25.0 million in the combat vehicle improvement program line item.

The committee recognizes that the decrease in foreign military sales of the M1 tank will increase the unit cost of the M1A2 and that currently programmed funds will not permit the Army to produce 120 M1A2s a year. To compensate for the loss of foreign military sales, maintain stability in the tank industrial base, and acquire as many tanks as possible with the funding available, the committee recommends a provision that would authorize the Army to enter into a multi-year procurement contract for the M1A2. Estimates are that the Army could modify an additional 25 tanks over the Future Years Defense Program with programmed funds by executing a multi-year procurement in fiscal year 1995.

To execute this plan in fiscal year 1995, the Army requires a shift in funds from current procurement to advance procurement. Accordingly, the committee recommends an authorization of \$124.6 million in advance procurement and \$50.6 million in current procurement.

M1A1 tanks for the Marine Corps Reserve

The committee received a report from the General Accounting Office earlier this year suggesting that the Army transfer excess M1 tanks to fill out requirements in the Marine Corps. The committee has also received testimony from the Marine Corps on its tank requirements. The Marine Corps operates the M1A1 version of the tank.

The Army has been reluctant to transfer M1A1s to the Marine Corps when all of the Army prepositioning equipment stocks have not been filled. The Army also has Guard and reserve units operating basic M1s that are in line to be modernized. The Army intends to modernize these units with M1A1 tanks that are displaced as early deploying armor units are provided with M1A2 tanks from the Abrams upgrade program.

The committee is concerned that Marine Corps Reserve tank battalions are operating with only eight tanks each, when they should have 32 tanks. The committee notes the outstanding success of the Marine Corps Reserve tank units in the Persian Gulf War. The committee also notes their requirement for early deployment.

The committee believes that the Marine Corps situation could be rectified by upgrading additional M1 basic tanks to the M1A2 configuration and transferring one M1A1 to the Marine Corps for each additional M1A2s scheduled for the Army. This option would leave the active Army with more M1A2s (which they require), the Marine Corps reserve with the needed M1A1s, and the Army Guard and reserves modernizing at the same rate predicted under the current Army plan.

The committee recommends \$108.0 million for upgrading 24 additional M1 tanks to the M1A2 configuration. The committee views this as the first year of a two-year program for 48 additional M1A2 tanks. The committee recommends a provision that would direct the Army to transfer, either simultaneously or in advance, one M1A1 tank to the Marine Corps Reserve as each one of these additional M1A2 tanks is made available to the Army.

Korea surveillance initiative

The committee recommends a provision that would authorize the Army to use the savings from early retirement of OV-1 aircraft currently deployed in Korea to lease a replacement MTI radar surveillance capability, provided that:

- (1) the system is deployed within six months of the enactment of this Act;
- (2) the Republic of Korea pays half the cost of the lease;

(3) the leasing contract includes a provision that would enable the Republic of Korea to purchase the aircraft once the joint surveillance and target attack radar system (JSTARS) program reaches initial operational capability (IOC); and

(4) the lease expires within six months of the currently planned IOC date of the JSTARS system.

In view of the heightened tension on the Korean peninsula, maintaining adequate warning and surveillance capabilities is essential. Some in the Department of Defense appear to be under the misapprehension that the law requires retirement of the OV-1 Mohawk observation aircraft by October 1, 1996. The committee notes that a waiver of section 1439(b)(2) of Public Law 101-510 was provided by section 1024 of the National Defense Authorization Act for Fiscal Years 1992 and 1993. The committee sees no reason why the Secretary of Defense would be unable to exercise the waiver option, based on current plans and the status of the JSTARS program. Accordingly, the impending retirement of the OV-1 is not a sufficient justification for seeking resources or authority to buy new capabilities for U.S. forces in Korea.

If, however, the Secretary of Defense determines that the OV-1 is incapable of providing adequate support for forces in Korea before the JSTARS system is fielded, the provision would enable the Army to acquire additional capabilities. The committee views this potential requirement as interim only, until JSTARS is fielded. If the Secretary determines that JSTARS will not be able to provide indications and warning on a routine basis in Korea subsequent to JSTARS fielding, the committee firmly believes that the Republic of Korea can and should provide this capability.

The committee directs the Department to notify and consult with the congressional defense and intelligence committees before adopting any solution other than retention of the OV-1 or temporary leasing of surveillance aircraft. The committee notes that JSTARS is the sole, wide-area moving target indicator (MTI) radar system planned for the Department of Defense. The committee sees no reason to proliferate other wide-area MTI radar systems. Therefore, the committee will not tolerate proliferation of other, less capable systems.

Small arms industrial base

The committee last year required the Army to commission an independent panel of the Army Science Board to examine the small arms industrial base. The panel has finished its assessment and transmitted the results to Congress.

The panel criticized the Army for halting production, after fiscal year 1995, of all small arms weapons, despite inventories of several key weapons well below requirements. The panel concluded that this action would imperil the small arms industrial base.

The panel observed that existing small arms basically meet the Army's requirements for performance and reliability and that most deficiencies and limitations that have been identified can be remedied with modest investments in R&D and procurement. The panel noted further that the Army has been developing such improvements in the soldier enhancement program (SEP), but does not plan to procure them.

The panel pointed out that the Army is also starting to shift R&D funds away from product improvements towards development of advanced technology for future infantry weapons. The committee believes that a balanced program is required and that near-term soldier enhancements should not be sacrificed for uncertain future development efforts.

Moreover, the Army budget reflects a willingness to sacrifice the small arms industrial base in order to develop and produce futuristic weapons. The Army hopes to begin production of this new generation of weapons in about 2004, which is almost a decade after it plans to discontinue production of existing small arms. The committee does not see how there would be an industrial base in existence to produce the new weapons under the Army's plan, even if they could be successfully developed.

The panel recommended a funding level of about \$20.0 million per year for production of four weapons: the MK19-3 grenade machine gun, the M4 carbine, the M16A2 rifle, and the squad automatic weapon. This level was proposed in conjunction with other recommendations-to shift \$10.0 million in small arms overhaul work from the depot to contractors, and to stop buying spare and repair parts from small businesses, which currently dominate this market of \$15.0 million per year. The committee believes that it is premature at best to make such shifts, absent a consensus on the general policy questions surrounding depot versus contractor overhaul and maintenance, and absent a change in policy on small business set-asides. Moreover, the funding profile recommended by the Science Board would not permit the Army to reach its inventory objectives for these weapons for perhaps 20 years or more, which the committee regards as excessive.

The committee believes the Army should continue to produce existing small arms (1) to fulfill its stated requirements, and (2) to preserve the industrial base until a new generation of small arms is ready for production. Since the Army intends to field new weapons in about 10 years, the committee believes the Army should plan to continue production of at least some existing weapons during that interim period. The committee intends to provide the Army with as much flexibility as possible in executing this policy. The committee recommends a provision that would direct the Army to enter into multiyear procurement contracts for small arms for periods which might extend to 10 years, where appropriate. Weapon production rates should be adjusted to coincide more closely with the anticipated dates of new production weapons. Concurrently, the committee emphasizes that production rates and facilities must be planned to achieve economical rates for each weapon while preserving essential elements of the industrial base identified in the Science Board report.

The Science Board panel concluded that the small arms industrial base has significant excess capacity. It is clear that capacity within the industry must be reduced in accordance with the Army's decreasing small arms requirements in order to maintain viable, critical firms and elements in a restructured industrial base.

The provision also would:

- (1) authorize \$89.1 million for continued production of the squad automatic weapon, MK-19 grenade machine gun, M-16A2 rifle, and M-4 carbine;
- (2) authorize \$5.0 million for research, development, test, and evaluation of the objective crew-served weapons system;
- (3) authorize a total of \$3.0 million for research, development, test, and evaluation of product improvements to existing small arms weapons;
- (4) require the Secretary of the Army to coordinate the development of a joint master plan for meeting the immediate and future needs for small arms. Development of the master plan will include an examination of the relative advantages and disadvantages of improving existing small arms weapons as compared to investing in new, advanced technology weapons and an analysis of the effects of these two approaches on the small arms industrial base; and
- (5) direct the Under Secretary of Defense for Acquisition and Technology to review the results of this examination and master plan, and provide them to the congressional defense committees with his comments no later than April 1, 1995.

Of the amount provided for RDT&E for product improvements to existing weapons under the soldier enhancement program, \$750,000 is available for evaluating upgraded 7.62mm machine guns for the Army medium machine gun program. The committee agrees with the Army's plan to compare upgraded M60 machine guns to the M240 machine gun. In order to ensure that comparisons between candidate guns are valid, the committee directs that all guns used in the evaluation be in new or similar condition. The result of this comparison should be included in the small arms master plan.

Carrier replacement program

The budget request included \$2,447.0 million for full funding for CVN-76, the next Nimitz class aircraft carrier. The budget also requested authorization to transfer \$1,200.0 million to CVN-76 from funds appropriated in fiscal year 1994 to the National Defense Sealift Fund. Congress authorized and appropriated advance procurement funds for CVN-76 in fiscal year 1993. In testimony before the committee this year, the Secretary of the Navy testified that the Navy needed to acquire CVN-76 in fiscal year 1995, both to maintain the carrier shipbuilding industrial base and to permit orderly replacement of an older carrier in the current fleet of 12 carriers.

At present, the carrier force is the centerpiece of the nation's forward presence capability. The committee understands that the Bottom-Up Review (BUR) derived different carrier force structure requirements for wartime and for supporting peacetime deployments. According to the BUR, supporting two major regional contingencies would require 10 carriers, while keeping peacetime presence commitments would require 12 carriers. This 12-carrier requirement assumes no change in the assumptions about the forward basing of carrier battle groups in the presence mission. The committee has a longstanding interest in the diverse factors associated with naval forward presence. Section 1361 of the National Defense Authorization Act for Fiscal Year 1993 required the Secretary of Defense to analyze the options for providing forward presence of naval forces during peacetime. Two years later, the Department has still not

provided this report. The committee believes that this analysis is important for making decisions on future naval force structure. The Secretary of the Navy has personally assured the committee that the Defense Department's report will be delivered to the committee by July 31, 1994.

The committee recommends \$2,447.0 million in fiscal year 1995 funds for CVN-76. The committee also recommends a provision that would authorize the transfer of \$1,200.0 million from the National Defense Sealift Fund. This carrier will be able to make important contributions to national security well into the next century.

C-17 airlift aircraft

The committee recommends funding for implementation of the settlement agreement negotiated between the Department of Defense and the C-17 prime contractor in January 1994. The committee recommends the budget request for six new aircraft but reduces the fiscal year 1995 procurement request of \$2.8 billion by \$387.4 million. The committee also recommends long-lead funding for eight additional aircraft.

The committee hopes that the settlement agreement will promote progress in a C-17 program characterized by cost overruns, schedule slippages, and performance problems.

Improving the bomber force and preserving bomber options

The committee has demonstrated a steadfast commitment over the years to supporting, and initiating when necessary, the programs needed to ensure a robust and effective bomber force, including the needed weapons. Thus, the committee has strongly supported the recommendations in the Air Force "Bomber Roadmap" of June 1992. This report identified a requirement for 184 total bombers, armed with precision conventional munitions, to deal with a single major regional contingency (MRC) in which an enemy armored force had begun a short-warning invasion of the territory of an ally.

The new Administration undertook a comprehensive review of future force requirements necessary to successfully deal with a variety of possible contingencies. This Bottom-Up Review (BUR) ultimately determined that the United States should retain the capability to deal with two "nearly simultaneous" MRCs. The BUR also called for a total force of 184 bombers, in order to provide "100 deployable" heavy bombers for each MRC. This analysis assumes that the highly-capable and stealthy B-2s would be shifted from the first theater to the second, once that second MRC began to unfold.

The BUR identified important roles for bombers armed with advanced conventional munitions. It concluded that, under many short-warning scenarios, long-range bombers and carrier-based tactical aircraft would be the only U.S. forces available early in a conflict to help a beleaguered ally defend itself against an invading armored force. This long-range offensive strike capability would be operational while U.S. ground and tactical air reinforcements were being deployed to the theater, and waiting for their required logistics chain to be established. U.S. reinforcements might have to "fight their way in" against future theater air and missile threats.

Viewed in the context of these demanding requirements, the committee finds the Department of Defense's bomber force posture and funding proposals unacceptable:

- (1) The "Bomber Roadmap" and the BUR called for a force structure of 184 bombers, yet the budget request funds only 100 during fiscal year 1995, and only 80 thereafter. The committee believes this is inadequate to meet current and future requirements.

- (2) Four recent independent studies all find that the planned DOD force structure of 80 to 100 non-stealthy bombers with only 20 B-2s is inadequate to deal with two MRCs. DOD has been unable to offer a coherent and consistent explanation for these discrepancies.

- (3) DOD appears unwilling to consider options for interim precision weapons for bombers, preferring to wait until the end of the decade for the tri-Service standoff attack missile (TSSAM) and the joint direct attack munitions (JDAM) family of weapons. Should conflict be thrust upon the United States before then, the bomber force would have only "dumb" iron bombs available. The committee believes interim precision weapon capabilities for bombers are both feasible and an inexpensive hedge.

- (4) DOD has settled on a force structure and modernization plan before it has completed numerous ongoing analyses and tests that bear on those plans:

- (a) The Nuclear Posture Review, which includes bomber requirements for maintaining nuclear deterrence, is still ongoing. The Secretary of Defense has testified that the bomber review is "unfinished business."

(b) The independent Roles and Missions Commission is examining bomber force structure tradeoffs with other military forces. The Commission will not submit its report on force structure tradeoffs until next summer.

(c) An important test of B-1B bomber operational readiness has just begun; results will not be available before next spring.

(5) The committee believes that, if DOD intends to reduce the bomber force level to between 80 and 100 non-stealthy bombers, then more than 20 B-2 stealth bombers will be required to meet the demands of a two-MRC scenario. Yet the final B-2 bombers are moving down the assembly lines, and more and more subcontractors and facilities are completing deliveries. The production base for bombers is rapidly disappearing.

Thus, the committee found itself with many unanswered questions as it addressed the current budget request. The committee decided to set in motion a process to ensure that DOD and the committee will be better prepared to address bomber requirement issues during the fiscal year 1996 budget cycle. To accomplish this, the committee directs specific actions in the following subsections in order to:

- (1) preserve all bomber force structure options for one year;
- (2) preserve the bomber industrial base for one year;
- (3) receive the results of further bomber force structure and effectiveness analyses prior to next year's defense budget deliberations; and
- (4) begin procurement of improved interim conventional weapons for bombers.

In summary, the committee recommendations would prevent DOD from retiring any B-52 or B-1 bombers this year, fully fund planned conventional upgrades for those bombers, preserve the B-2 industrial base for one year, initiate a program to acquire limited numbers of effective bomber weapons within the next two years, and direct numerous analyses to better prepare DOD and the Congress to decide future bomber force structure issues next year.

PRESERVATION OF BOMBER FORCE STRUCTURE OPTIONS

The committee has concluded that the planned bomber force level of between 80 and 100 is insufficient to meet current and future requirements, unless additional B-2 bombers are to be procured. Further, the ongoing Nuclear Posture Review is to address additional requirements for bombers to contribute to the maintenance of deterrence. The Roles and Missions Commission is to examine force tradeoffs including bombers. In other sections of this report, the committee also directs several independent studies of bomber issues. Therefore, the committee believes that all force structure options should be kept open at least through the next budget cycle.

First, the committee directs the Secretary of Defense not to retire any B-52H or B-1B bomber aircraft. All 95 B-52H and all 95 B-1B bombers (excluding one non-flying weapons-loading trainer B-1B aircraft) shall be retained, and any B-52H bombers transferred to Davis Monthan AFB before the date of this report shall be promptly returned to the Air Force Air Combat Command, for incorporation in an expanded B-52H attrition reserve. The committee understands that \$18.0 million in operation and maintenance funds is required in fiscal year 1995 to retain all 47 B-52H aircraft in attrition reserve status. The committee adds O&M funds for this purpose.

Second, although the Air Force plans to retain 26 B-1B bombers in attrition reserve status through the period of the Future Years Defense Program (FYDP), it has not funded the incorporation of either the conventional weapons upgrades or the new ECM system on those B-1s. Third, the Air Force has seriously under-funded the conventional improvements and ECM upgrades on the active inventory of B-1B bombers. This underfunding results in a one-year delay in the introduction of the JDAM family of weapons and a six-year delay in TSSAM capability on the B-1B, relative to their incorporation on B-52H bombers. The B-1B ECM program is also under-funded, resulting in a delay in installation until 2003. This, for the Air Force's self-proclaimed "backbone of the bomber force."

In the next FYDP submission, the committee directs the Air Force to fully fund the bomber conventional munitions upgrade programs for both B-1 and B-52 bombers, including funds for full modifications to all bombers proposed to be retained, whether in the active inventory or in an attrition reserve category. The committee understands this requires no increase in fiscal year 1995 funding, but will increase FYDP funding requirements for the B-1B bomber by approximately \$70 million, if all 95 B-1B bombers are retained.

The committee recommends fully funding the respective budget requests for RDT&E and procurement for fiscal year 1995 for the B-52H, the B-1B, and the B-2 bomber programs.

PRESERVING THE BOMBER INDUSTRIAL BASE

The committee has received testimony from Air Force and other witnesses regarding the desirability of maintaining an industrial base for the production of bombers, as DOD already is implementing for submarines, naval nuclear propulsion, and the tank industrial base. The committee also is in receipt of testimony and recent studies on the contributions that additional B-2 bombers could provide in future conventional conflicts. The committee is also aware of a proposal by the Northrop Corporation to produce a variant of the B-2 bomber that would have only a conventional weapons capability. Deletion of items on the B-2 related to nuclear missions would reportedly reduce the unit flyaway cost of a conventional-only stealth bomber by some \$25-30 million per aircraft.

In view of the unsettled future requirements for heavy bombers, together with the additional studies and analyses of bomber force structure and industrial base options requested elsewhere in this report, the committee considers it prudent to recommend \$150.0 million in order to preserve a portion of the bomber industrial base for one year.

Funds appropriated pursuant to this authorization are to preserve tooling in ready status, preserve a production capability for spare parts within the lower-tier vendor structure, and develop detailed production plans for a conventional-capability-only B-2 bomber. Funds may not be used to procure any major structural B-2 item that would not be procured by the Air Force as an item of initial or sustaining spares. This recommendation would not authorize a twenty-second B-2 bomber; rather, it would allow DOD and the Congress time to gather further information on future bomber requirements, including industrial base requirements. Funds appropriated pursuant to this authorization would be exempt from section 131(d) of Public Law 103-160.

FURTHER BOMBER FORCE ANALYSES

The committee has directed bomber force structure questions to Department of Defense and other witnesses at more than a dozen hearings since the fiscal year 1995 budget request was submitted. The answers are, in totality, incomplete; many are inconsistent with others. The thrust of testimony from DOD witnesses is inconsistent with the published results of the Bottom-Up Review, as well as with the Air Force's 1992 "Bomber Roadmap", and with recent detailed analyses carried out by major defense contractors such as Boeing and Rockwell, by "think tanks" such as the RAND Corporation, and by respected independent analysts.

DOD has not revealed its own detailed analyses supporting its decisions to sharply reduce the bomber force structure. Nor has it attempted to refute any of the studies noted above, all of which call for substantially larger bomber forces than proposed in the budget request. Results of several of the independent studies show that a heavy bomber force reduced to the size and composition that DOD proposes to fund would be inadequate to prevent major losses in the opening phases of a two-MRC scenario, and would run high risk of failure even in single-MRC scenarios.

Given these substantial and unresolved differences between the new DOD bomber force levels and those derived in widely-available outside analyses, the committee is reluctant to make the irrevocable commitment to a smaller bomber force that would be brought about by approval of the current budget request for bombers.

Accordingly, the committee directs the Secretary of Defense to reconstitute the independent review group originally mandated under section 121(e) of Public Law 101-189 for the purpose of reconciling the analyses of bomber forces conducted by the Department in support of the Bottom-Up Review and the recent analyses conducted by outside experts. The committee is seeking to understand how such striking differences in overall outcomes can arise-whether they are the result of different assumptions about numbers of targets, or about warning and deployment times available, or about munitions effectiveness. The review group should also pay particular attention to assumptions about the length of time required to establish full supply lines to theater-based forces in the presence of a theater ballistic missile threat. The committee directs the Secretary to ensure full access by the independent review group to models, personnel involved, and assumptions used in Bottom-Up Review analyses, including the illustrative scenario presented to this committee at a classified hearing on March 9, 1994. The independent review group should provide its analysis and results in both classified and unclassified form to the Secretary and the congressional defense committees not later than February 1, 1995.

Second, the committee urges the Roles and Missions Commission established by subtitle E of title IX of Public Law 103-160 to review thoroughly the capabilities of bombers and carrier-based air forces in the early phases of a short-warning MRC when enemy actions may constrain our ability to provide land-based tactical air power and ground force reinforcements. The committee believes that an important early contribution by carriers to the defeat of an armored incursion may reside in Navy combat air patrols (CAP) and suppression of organic enemy air defense assets (SEAD), allowing non-stealthy Air Force bombers to deliver large weapons payloads with improved survivability. Traditional tactical air support missions, such as CAP, SEAD, and jamming, may only be available from carriers until land bases can be secured and supply lines to the theater established.

The committee expects the Commission to also consider tradeoffs between more stealthy aircraft and fewer support assets such as those for CAP and SEAD, to reduce the deployment lift requirements, the personnel placed at risk in the theater of operations, and the extensive resupply requirements. The Commission should evaluate, in particular, the kinds of tradeoffs presented by the Air Force during testimony on the Department of Defense Authorization Act for Fiscal Years 1992 and 1993 (S. Hrg. 102-255, Pt. 7, p. 794).

The committee looks forward with keen anticipation to the recommendations of the Roles and Missions Commission, and hopes its findings will shed additional light on future bomber requirements in time for action on the fiscal year 1996 request. To ensure the Commission has adequate independent expertise, the committee also recommends a provision that would authorize the Commission to draw upon the capabilities of the Department's federally funded research and development centers during fiscal years 1994 and 1995, for up to \$20.0 million in assistance.

Third, by the Secretary's own admission, the need to maintain some sort of bomber industrial base was not well-analyzed in the BUR. The Congress has, on several past occasions, relied upon the RAND Corporation to examine sensitive aspects of the B-2 bomber program. The committee believes that this background and RAND's long experience in acquisition and industrial base research warrant its directing the Secretary of Defense to ask the RAND Corporation to conduct an independent analysis of the need for the Defense Department to provide some industrial base protection for future bomber production requirements, as it has already determined to be necessary for the submarine and tank industrial bases. The RAND analysis and recommendations for whether, and, if so, how, to preserve an industrial base capability for bombers should be provided to the congressional defense committees not later than March 1, 1995.

None of these outside efforts are intended to preclude the Secretary of Defense from continuing to evaluate bomber force structure and effectiveness options and tradeoffs; to the contrary, he is encouraged to do so. The committee hopes that the defense budget request for fiscal year 1996 and the accompanying FYDP will present a clear and coherent bomber roadmap to the Congress.

"INTERIM" CONVENTIONAL WEAPONS FOR BOMBERS

There are several possibilities for adding interim precision weapons capabilities to existing bombers. All would be limited in numbers and higher in cost than the precision munitions-the JDAM family of

weapons-now in development for deployment near the end of the decade. The initial JDAM weapon, a guided 2000 lb. bomb, will greatly improve bomber effectiveness against fixed targets. However, it is not well-suited to defeat armored formations. Apart from the TSSAM, which offers both anti-armor submunitions and standoff delivery, bomber capabilities against armored incursions will remain limited into the next decade. Current tactical munitions dispensers (TMDs) containing anti-armor submunitions require low-altitude direct overflight delivery; as the British Tornado experience during Operation Desert Storm makes plain, this is a costly delivery tactic. The Air Force has announced plans to develop a "wind-corrected TMD" containing an inertial guidance unit, to allow delivery with some standoff capability from medium altitude and above of anti-armor submunitions from a wide variety of fighter and bomber aircraft. Unfortunately, the Air Force has yet to identify funding requirements for this approach and the planned initial operating capability (IOC) is not earlier than the end of the decade. Thus, this approach will not provide an "interim" capability.

The interim weapons possibilities include the following: further conversions of the nuclear-armed air launched cruise missile (ALCM) to any of several improved conventionally-armed ALCM capabilities (CALCM); a limited purchase of additional GPS-aided munitions system (GAMS) R&D weapons being developed as part of the GATS/GAMS capability to be tested on both B-1 and B-2 bombers; and incorporation of brilliant anti-tank (BAT) anti-armor submunitions in a TMD for high-altitude bomber delivery against armored formations.

For the CALCM, there are three separate options, each with a different delivery date and cost: (1) a modest improvement on the CALCMs used at the beginning of Operation Desert Storm; (2) a major improvement including better stealth and a penetrating warhead capability; and (3) a more ambitious effort to incorporate various anti-armor submunitions (WAM, SFW, and/or BAT) in a significantly modified ALCM. Any of the CALCM versions would be deliverable by B-52s, B-1Bs and Block 30 B-2s, and would provide substantial standoff range for the non-stealthy bombers. The committee understands that ALCM missiles are in such over-supply that some 150 ALCMs have been sent to storage areas outside of main operating bases.

The GAMS options would continue the production of the weapon guidance kits beyond the 42 that will be required for the B-2 GATS-GAMS test program. Additional production of GAMS kits would provide additional test weapons for the B-2, and for the B-1B bomber if its radar is found suitable, providing a limited contingency stockpile of precision bomber weapons. Northrop has proposed to deliver 128 additional GAMS weapons kits starting in mid-1996, for \$25.0 million.

A third option is to explore delivery of the BAT submunition from a slightly-modified, unguided TMD, for delivery from medium altitude. The BAT submunition has a large target acquisition range and footprint, which could offset somewhat the effect of wind drift on a TMD descending from medium altitude. An interim approach using the BAT would be to test its capability in an unguided TMD to determine whether medium-altitude release of this weapon from a platform with self-contained precision target location capabilities (such as the B-2) could reliably place the unguided dispenser within the lethal range of the submunitions. It appears this concept could be demonstrated and flight tested by mid-1996 for about \$25.0 million. If these tests were successful, interim BAT/TMD weapons could be available by late 1997.

Of the interim options discussed above, the committee considers all but the second CALCM option to be worth pursuing vigorously, under streamlined acquisition procedures to ensure early availability of interim weapons. Three hundred of the CALCM-I version could be delivered during the last half of 1996 and the first half of 1997 at a unit cost of less than \$200,000. If an early demonstration of the anti-armor version of the CALCM were successful, 300 CALCM-III weapons could be delivered in late 1997 and 1998, at a unit cost of about \$400,000. Therefore, the committee recommends \$40.0 million for modifications to demonstrate the capability to dispense anti-armor submunitions from a modified ALCM, develop in-flight targeting updates for a proposed CALCM-III missile, and begin conversion of existing ALCM missiles to the CALCM-I configuration. The Air Force is authorized to procure up to 100 CALCM-I missiles with the recommended funds. The committee expects the Air Force to request both adequate funds to demonstrate the CALCM-III concept, and to procure an additional 200 CALCM-I missiles in fiscal year 1996, so long as the contracted unit price per missile for a lot of 300 conversions remains below \$200,000 per missile, not including government-furnished equipment. The committee expects the Department to negotiate a firm fixed-price contract for the additional CALCM-I conversions.

The committee also recommends \$25.0 million to procure an additional 128 GAMS kits, in order to provide an interim capability for B-2 and, should GATS tests prove successful, B-1 bombers.

The committee further recommends \$25.0 million to conduct a flight-test demonstration of the possibility of delivering BAT submunitions with sufficient accuracy from an unguided TMD released from medium altitude.

The committee stresses to the Secretary of Defense the urgency it attaches to all of these interim weapons proposals, and directs him to ensure that these programs are carried out expeditiously, under streamlined acquisition procedures, and with a minimum of bureaucratic red-tape.

The committee observes that, even if all of the programs discussed above were successfully carried to fruition, the resulting inventory of interim precision weapons would be modest-no more than a few sorties per bomber. Therefore, the committee sees no need to increase the planned bomber force structure from the proposed level of 40 active B-52H and 60 active B-1B bombers, until such time as JDAM and TSSAM deliveries have increased the available precision munitions stockpiles.

Finally, the committee directs the Secretary to evaluate the recommendation by the RAND Corporation contained in testimony before the committee that the JDAM program be extended to include 1,000-lb. and 500-lb. iron bombs. The Secretary shall provide to the congressional defense committees a report on the cost-effectiveness of this action not later than April 30, 1995.

Electric and hybrid vehicle technology

The committee is aware that the Advanced Research Projects Agency (ARPA) plans to focus on dual-use research for electric and hybrid vehicle technology as a part of the technology reinvestment program (TRP). Some military applications of this technology, such as certain hybrid propulsion systems and low-signature systems, have little commercial use. The committee therefore recommends \$15.0 million in PE 63747E for research unique to military requirements for electric or hybrid propulsion systems.

To ensure efficient use of these funds, the programs of the Departments of Defense and Energy must be coordinated. Before any funds authorized for this research can be expended, but no later than January 1, 1995, the Defense and Energy Departments must complete a memorandum of understanding (MOU) that sets forth the mechanisms by which cooperation and coordination of programs shall take place and each Department's role in electric and hybrid vehicle development, procurement and commercialization. Signatories to the MOU should include ARPA, the Army, and the Department of Energy, at a minimum. This requirement is intended to prevent duplication of effort between the two Departments and reemphasize the need for the Department of Defense to focus on dual-use technology in the TRP and on military technology in related but not duplicative programs.

The committee also recommends a provision that would authorize \$15.0 million for the procurement and commercialization of electric and hybrid vehicles.

Department of Energy has been the leader in the procurement and commercialization of electric and hybrid vehicles for the federal government, and is required to assist agencies in fulfilling the procurement goals of the Executive Order and the National Energy Policy Act of 1992. However, because of budgetary pressures at the Department of Energy, and the Department of Defense's role and experience as the largest federal fleet operator, the Department of Defense can use these funds effectively to meet those procurement goals.

Any funds provided or grants awarded under this section shall be competitively awarded, and preference shall be given to proposals that include a significant, non-Federal cost share.

TITLE II-RESEARCH, DEVELOPMENT, TEST AND EVALUATION

The recommendations of the committee for the research, development, test and evaluation of various defense weapons and equipment appear in this title of the report.

EXPLANATION OF TABLES

The tables in this title display items requested by the administration for fiscal year 1995 for which the committee either increased or decreased the requested amounts. Items that are not displayed have been approved by the committee in the amounts requested in the Department of Defense's budget justification

documents. As in the past, the administration may not exceed the amounts approved by the committee (as set forth in the tables or, if unchanged from the administration's request, as set forth in the Defense Department's budget justification documents) without a reprogramming action in accordance with established procedures.

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Army technology base

The committee continues to be concerned about the decline in the Army technology base. The Army appears to be unable or unwilling to break out of the cycle of the past several years. Each year the Army reduces its technology base further, and each year the Department of Defense and Congress add or delete funds for various specific projects. The result is a technology base work plan that starts out as rational but which becomes increasingly irrational as budget cuts and addbacks occur with little reference to the Army's original plan.

At the same time that the Army is reducing its technology base and procurement investment to one of the lowest levels in the last 40 years, it has requested an increase in funding for its test and evaluation infrastructure. The committee strongly disagrees with this request to modernize an infrastructure with a rapidly disappearing customer base. The budget request for test and evaluation seems to be justified more by the size of the infrastructure, the difficulties of combining Army requirements with those of the other Services, and the attitude that testing is a matter of a level-of-effort rather than by the testing required for new systems entering the Army's force structure.

Accordingly, the committee reduces the requested amount for the test and evaluation infrastructure accounts by \$45.0 million and adds these funds to Army research requirements.

Army research lab

The committee is aware that the Army is working hard to consolidate its laboratories and make them more relevant to the Army's changing missions. The Army's initiative to create an open, federated laboratory system is an innovative and forward thinking approach. The committee supports the competitive selection of laboratories from industry and academia to work with the Army research laboratory to meet the Army's research needs across a wide range of technologies. The committee recommends an increase of \$20.0 million in PE 61102A to accelerate this effort.

Project Plowshares

The Department of Defense has developed sophisticated training programs over the years that rely on computer models and simulations to produce realistic and unpredictable conditions to train commanders and their staffs in the complexity of modern warfare. The underlying simulation technology is just as applicable to training needs for disaster relief.

In the aftermath of Hurricane Andrew, the Army's Simulation, Training and Instrumentation Command launched a project to adapt wargame models to help train civilian authorities coping with natural disasters. The goal of the project-named Project Plowshares-is to develop a computer-based training system that can simulate natural disasters for purposes of training local authorities.

The committee commends the Army for launching this innovative project. The committee believes this is an excellent example of the application of military technology to the civil sector. In order to demonstrate Project Plowshares in a prototype form, the committee recommends an authorization of \$5.0 million. The committee understands that the state of Florida is willing to contribute resources for the collaborative development of Project Plowshares, and believes that should be a prerequisite for launching the project.

Telemedicine

The committee commends the Services for their efforts to develop, extend, and integrate telemedicine initiatives linking primary providers and patients with tertiary care center specialists. The Army is especially commended for its pioneering efforts to test and deploy available off-the-shelf technologies. Preliminary results from basic Army applications in Somalia, Zagreb, and Macedonia are most promising. Scarce professional assets have been employed in assisting diagnosis and treatment for patients thousands of miles

from military medical centers. The committee is also aware that the deployment of telemedicine to service units depends a great deal on the communications infrastructure available at the deployment sites. Therefore, the Services' requirements for telemedicine vary significantly.

State and local civilian authorities have made much progress in deploying telemedicine concepts to remote areas. The committee believes that the Department of Defense should seek to leverage this existing civilian technology to the maximum extent possible.

Telemedicine has the potential to improve medical care by increasing the patient's access to specialized medical talent and to decrease the cost of medical care by reducing travel time to and from remote locations. The Army and Air Force medical programs for Europe are prime examples of where this technique could be extremely useful. Because of the drawdown of U.S. troops in Europe, many military communities in Europe are now located long distances from military hospitals. The committee urges the Army to work with the Air Force to deploy at least one Army and one Air Force telemedicine site for each service to Europe. To carry out this deployment, the committee recommends an increase of \$10.0 million for the Army in PE 63002A and \$5.0 million for the Air Force in PE 63231F.

The Navy has perhaps the most to gain from telemedicine. It also has the most challenging technical problem since all data used must be transmitted and received using data links that are already used to capacity on most ships. The committee recommends an additional \$5.0 million in PE 63706N for the Navy to continue its development of an appropriate telemedicine system for use at sea.

Rapid force projection advanced concept technology demonstration

The Under Secretary of Defense for Acquisition and Technology (USD(A&T)) has proposed an advanced concept technology demonstration (ACTD) of the fiber-optic guided missile (FOG-M) technology. The Office of the Secretary of Defense identified funds within the Army budget for the enhanced fiber optic missile (E-FOGM) ACTD and directed the Army to conduct this program. Although the committee recommends approval of the program, including the use of prior-year appropriated funds identified for this effort, the committee has a number of serious reservations.

The Army has made two previous attempts to develop and field a combat system based on the FOG-M technology. Each time the Army has failed, due to a combination of technology, cost, and operational concept problems. It is still unclear which combat arm should operate a fiber-optic guided missile and for what missions.

Other concerns include target identification and acquisition, rate of fire, fire control, range, organization, and additional force structure requirements. Previously prepared organization and operational concepts documents have failed to adequately address these issues. Cost has also been a major concern. The last Army effort was terminated when the cost of a single missile exceeded \$400,000.

The committee recognizes that the proposed ACTD is designed to address these very issues. The committee is concerned, however, that the proposal may represent only the temporary triumph of hope over experience.

The committee also is concerned that the Army was forced into this effort by the Office of the Secretary of Defense and that funds for this ACTD came from the Army's already severely stressed investment accounts. The Army faces shortfalls in virtually every acquisition area. The Army has several other programs already developed that it cannot afford to buy (such as LOSAT and Stingray) and critical procurement programs that are severely underfunded (such as Javelin). It is certain that the Army could use the funds earmarked for this ACTD more effectively to remedy known problems, whereas this ACTD has a clouded past and an uncertain future.

Finally, the committee notes that this ACTD, unlike previous technology demonstrations, is designed to produce usable hardware even if the concept does not prove worthy of a large follow-on acquisition program. Even so, the cost of residual missiles and fire units will be extremely high (missiles and individual fire units may cost up to \$500,000 each), and cost growth from initial projections is an all-too frequent occurrence.

The committee's continued support for this effort depends on sound and sensible organizational and operational concepts, consistent performance, promising results, user interest, adherence to schedule, and reliable control of costs.

Short-range antitank weapon/multi-purpose individual munition

The statement of managers accompanying the conference report on the National Defense Authorization Act for Fiscal Year 1994 (H. Rept. 103-357) directed (1) the Army and Marine Corps to initiate a joint program to develop a multipurpose warhead for a short-range antitank weapon (SRAW) variant using multipurpose individual munition (MPIM) technology; and (2) the Marine Corps to fully fund and proceed with a three-year engineering and manufacturing system development (EMD) for the antitank version of the SRAW system.

The Army has complied with the decision to adopt the Marine Corps SRAW missile as the delivery system for the MPIM warhead and has decided to forgo further development and acquisition of the bunker-defeat munition (BDM). The committee concurs with this decision.

The Marine Corps, however, has failed to provide adequate funding for development of the antitank version of the SRAW which will delay timely fielding of the SRAW program for both Services.

Because of the need to provide a reliable shoulder-fired weapon as soon as possible for both Services, the committee recommends an additional \$15.0 million for the SRAW program and directs the Secretary of the Navy to request a reprogramming of \$6.6 million in fiscal year 1995 funding for the SRAW EMD program. The committee further directs the Secretary of the Navy to ensure that the Marine Corps fully funds and executes the three-year SRAW EMD program in future budgets.

The Army requires an additional \$3.9 million to accelerate its SRAW/MPIM technology demonstration. The committee recommends an authorization of this amount in PE63313. The committee recommends a reduction in the request for BDM RDT&E by \$2.6 million in PE64802, and denies the request of \$7.8 million for BDM procurement in Army ammunition procurement, line 25.

Countermine warfare

Although everyone understands the need for improved mine countermeasures capabilities, the U.S. military has made little progress in fielding effective systems to detect and neutralize mines. Modern anti-personnel mines pose a particularly serious problem for U.S. military personnel engaged in peace operations. This is an example of a high-technology contribution the United States can bring to international peace operations, and one that would be of great benefit to U.S. military personnel.

Therefore, the committee recommends an additional \$10.0 million for Army efforts to improve mine detection and neutralization. The committee expects the Army to pursue technologies that can be shared in an international environment.

Advanced field artillery system

The budget request included \$175.5 million to begin development of the advanced field artillery system (AFAS) and the companion future armored resupply vehicle (FARV). The Army has been planning to issue an RFP in the very near future and to be on contract in the second quarter of fiscal year 1995. The Army intends to equip its first unit with AFAS in late 2006.

The committee believes the Army may be proceeding too rapidly at the beginning of this program and too slow in the later years. The committee is also concerned about the Army's single-minded commitment to an AFAS with a liquid propellant (LP) gun. The committee believes the point is not to field a particular technology but rather a new artillery weapon with improved range, rate of fire, and mobility. In addition, the Army still has neither settled on an acquisition strategy for AFAS, nor received approval from the Office of the Secretary of Defense (OSD) on an acquisition strategy.

The LP gun is not scheduled to undergo critical maturity tests until the fourth quarter of fiscal year 1994—well after the Army's planned issuance of an RFP that would mandate use of an LP gun. The committee is concerned that the Army will issue an RFP requiring industry to spend millions of dollars in scarce bid and proposal funds only to find that the LP gun has not met its exit criteria for concept development and that the program will not receive approval from the Defense Acquisition Board (DAB) review scheduled for this fall. More fundamentally, the committee is concerned about the possibility that LP gun technology faces physics rather than engineering hurdles.

The Army maintains that LP gun technology is mature and ready for development, despite recent test failures. The Army has resisted congressional direction to maintain an advanced solid-propellant program in parallel development as a hedge. Meanwhile, the Navy has conducted a cost and operational effectiveness analysis (COEA) for naval shore gunfire support that concluded that an LP gun was too risky to consider.

The committee believes that the Army requires a modern artillery weapon with greater range and rate of fire soon to replace very old M109s. However, the committee believes that the Army is not ready to issue an RFP that directs procurement of an LP gun.

The committee, therefore, directs the Under Secretary of Defense for Acquisition and Technology (USD(A&T)) to take the following actions:

- (1) delay AFAS RFP release until the DAB review has taken place; the Army adequately justifies the use of an LP gun; and OSD has approved an acquisition strategy;
- (2) determine whether the LP gun technology is "high risk" or is sufficiently mature for inclusion in the AFAS program and the Navy fire support program. The committee recommends that the USD(A&T) convene a Defense Science Board (DSB) task force to assist in this determination and to arrange for the results to be available for the DAB review;
- (3) ensure that the Army acquisition strategy adequately accounts for the LP gun technical risk-at a minimum by requiring parallel development of an alternative advanced propellant and gun; and
- (4) determine the degree of commonality that should be established between Army and Navy fire support modernization efforts, if any, at technology, component, subsystem, and system levels. This determination should address ammunition, as well as new guided projectiles. The committee is concerned that the major differences between Navy guns and Army howitzers may preclude ammunition commonality.

The committee is concerned that the Army intends to modernize only about one-fourth of the artillery force structure with the new AFAS. By the time AFAS is fielded in the middle of the next decade, the rest of the Army's howitzers will average 40 years in age. The committee believes the Army should investigate ways to replace or further improve these old weapons. The committee directs the Secretary of the Army to examine the feasibility and costs of options for upgrading Army howitzers and report to the congressional defense committees by May 1, 1995.

Armored vehicle modernization and industrial base

In May 1994, the congressionally-directed Defense Science Board (DSB) task force on the tracked vehicle industrial base reached these findings:

- (1) Future R&D and procurement budgets are not sufficient to provide for "state-of-the-art equipment or a strong industrial base."
- (2) The Army's armored systems modernization program and the Advanced Research Projects Agency's advanced armored vehicle and armor/antiarmor programs, which were oriented towards the long-term future of tracked vehicles, were terminated and no alternative programs have been established.
- (3) No replacements for the Bradley fighting vehicle or the M1 Abrams tank are planned or in development.
- (4) There is no industrial base plan for tracked vehicles in the Department of Defense. Instead, the extent to which the tracked vehicle industrial base will be maintained "will be the (ad hoc) result of the separate funding" of Abrams tanks, Bradley fighting vehicles, the advanced field artillery system, and the advanced amphibious assault vehicle.

The DSB task force recommended that the Department of Defense produce a tracked vehicle master plan that takes industrial base planning into account. The committee directs the Under Secretary of Defense for Acquisition and Technology to provide this plan to the congressional defense committees by March 1, 1995.

Advanced tank armament system

The budget request contained \$10.1 million to continue development of the advanced tank armament system (ATAS). However, the Army has decided not to acquire the Block III tank and does not plan to apply the ATAS to the M1A2 program. The committee agrees that technology development should proceed, but at a lower level. Accordingly, the committee recommends a reduction to the request of \$7.5 million.

Medium assault bridge

The committee directs the Army to apply \$2.0 million in prior-year funds originally appropriated to evaluate a towed assault bridge, and recommends an additional \$2.0 million in fiscal year 1995, for evaluation of operational concepts, emplacement techniques, and foreign technology to provide a basis for a potential medium assault bridge program suitable to support the armored gun system (AGS).

Javelin

The Army has had a critical requirement for an effective infantry antiarmor weapon since the end of the Vietnam War. After many years of development, the Army has achieved success with the Javelin anti-tank guided missile. The Army is on a course, however, that could undermine the program and possibly lead to its termination. The Army has reduced the planned budget for Javelin procurement by 25 percent. The Army claims it is maintaining an 11-year procurement schedule, but this plan shows that 80 percent of the planned procurement takes place beyond the current Future Years Defense Program (FYDP), at very high annual production rates. The committee doubts the Army's capabilities to find the money in the next FYDP to produce Javelin at a high rate when it cannot find the funds to do so in the current FYDP. The committee therefore strongly suspects that the true cost of the Javelin program is still significantly understated.

Even under the current plan, quantities have been cut greater than 50 percent, causing unit costs to soar. Under this plan, at best, the Army will be able to equip force package II, leaving half the total Army without this capability. Within the units equipped, numbers will be much smaller than originally planned. A similar situation exists in the Marine Corps.

The Army has taken a number of measures to control costs, such as an enhanced producibility program, a leader-follower competition, and prime contractor overhead reduction efforts. These efforts have produced savings, and the committee expects the Army to continue them. However, the major cost problems are due to the production rate and schedule, which might be alleviated by multi-year contracting.

The committee believes that the Army must achieve rate increases and enter into a multi-year procurement on Javelin or face the prospect of terminating the program on affordability grounds. The committee believes the Army should be in a position to enter into a multi-year contract by fiscal year 1996, given that the design should be stable since the missile entered production in fiscal year 1994. The committee directs the Army to analyze the benefits of a multi-year procurement contract and submit the results to the congressional defense committees by April 1, 1995. This analysis should analyze the cost of a multi-year not only on the current annual budget and production rate profile; it should include excursions based on bringing forward into the current FYDP another 30 percent of the missile procurement as well as stretching out the large annual profile the Army has programmed beyond the turn of the century.

The committee directs the Secretary of the Army and the Under Secretary of Defense for Acquisition and Technology to submit a report with the fiscal year 1996 budget request describing actions the Department will take to alleviate Javelin cost problems.

The committee recommends an additional \$3.4 million for Javelin RDT&E only for warhead improvements. The committee notes that the budget request for Javelin procurement dropped significantly from fiscal year 1994 levels and is planned to increase substantially again in fiscal year 1996. The committee believes that the Army should procure more missiles, both to achieve unit cost savings and to stabilize the program before entering into multi-year procurement contracts. The committee therefore recommends authorizing an additional \$82.9 million for procurement of an additional 498 missiles.

Armored security vehicle

The budget request contained \$3.5 million to begin acquisition of an armored security vehicle for military police. The Army has established requirements for ballistic protection and protection against indirect fire that exceed the levels available to front-line scout and infantry forces. In addition, this vehicle would be new to the Army's inventory of armored vehicles, creating a unique logistics burden.

The committee recognizes that rear-area security forces face significant threats and an expanding role, for example, in peacekeeping operations. However, the committee is not persuaded that these threats and this role are more demanding than those relating to scout operations behind enemy lines or light infantry in close combat. The committee is not convinced that the military police mission warrants acquisition of a separate, new armored vehicle and directs the Army to consider the armored high-mobility multi-purpose wheeled vehicle for the armored security vehicle role.

The committee recommends no funds be authorized for this program in fiscal year 1995.

Breacher obstacle clearing program

The budget request included \$11.3 million for advanced development, and \$4.6 million in engineering and manufacturing development (EMD), for the Army for the breacher obstacle clearing system. Deliveries of the prototype vehicles will be delayed by about nine months, which will delay the start of EMD until fiscal year 1996. The delay requires shifting EMD funds to advanced development. Accordingly, the committee recommends a total authorization in PE 63649 of \$15.9 million and no funds for EMD.

Brilliant anti-tank (BAT) munition

The Army has been developing the brilliant anti-tank (BAT) munition for use on the tri-Service standoff attack missile (TSSAM). Last year, the Congress terminated the Army's involvement in the TSSAM program. The statement of managers accompanying the conference report on the National Defense Authorization Act for Fiscal Year 1994 (H. Rept. 103-357) directed the Army to investigate options for installing BAT on multiple launch rocket system (MLRS) rockets. The Army has informed the committee that the budget request reflected a misalignment of funds in research and development lines necessary to carry out this direction.

The committee therefore recommends an increase in the Tractor BAT line of \$10.1 million, and a corresponding reduction in the missile product improvement line.

Sense and destroy armor submunition

The budget request contained \$72.1 million for continued development of the sense and destroy armor (SADARM) submunition. The Army recently completed successful tests of SADARM and has assured the committee that the program is ready for production and is fully supported in the Army's budget. The committee agrees with the Army's decision to examine alternatives for the MLRS application, but stresses that this examination should consider the effect of an alternative on the costs of SADARM for the 155mm application.

The committee understands that the decision to forgo development of SADARM at this time for the MLRS will permit the Army to begin procurement in fiscal year 1995 of the 155mm SADARM. Accordingly, the committee recommends a reduction of \$30.0 million from the RDT&E request and an authorization of \$30.0 million for SADARM procurement.

High energy laser systems test facility (HELSTF)

The committee is disappointed that the budget request did not include funds for the high energy laser systems test facility at White Sands Missile Range. Such action prejudices the results of the high power laser review required by the statement of managers accompanying the conference report on the National Defense Authorization Act for Fiscal Year 1994 (H. Rept. 103-357). The committee understands that the long-term requirements for HELSTF are being addressed in that study, which the Defense Department hopes to complete by late June 1994. The committee further understands that, in addition to the current testing by the Navy for ship defense against cruise missiles, significant new customers, including a joint Israeli Ministry of Defense-Army test program, have been identified for the facility.

The committee continues to regard this tri-Service facility as a central component of the dwindling U.S. high power laser technology base and recommends \$20.0 million to PE 065605A to continue its operation, including \$2.5 million to pay for the U.S. share of the nautilus test program.

Bradley armor tile

In fiscal year 1993, Congress provided funds for the Army to develop and type-classify a reactive armor tile for the Bradley fighting vehicle. Most of these funds were used to procure an interim capability for use in Somalia.

The Army has not determined an affordable inventory objective for armored tiles for the Bradley and derivative vehicles. The committee is persuaded, however, that the Army will require at least a battalion's worth of tiles. The committee directs the Army to use remaining prior-year funds to complete type-classification and begin procurement of tiles in fiscal year 1995. The committee recommends an additional \$7.6 million to complete procurement for one mechanized battalion. The committee directs the Army to determine an affordable inventory objective for the tile for submission with the fiscal year 1996 budget request.

Bradley modernization

The Army decided for cost reasons to designate a prime contractor to act as integrator for the Bradley M2A3 upgrade program. The Army indicates that components and subsystems for the upgrade, including component and subsystem integration, will be procured using competitive procedures. The committee is concerned, however, that the process being followed by the contractor and the Army may not achieve the goal of fair competition. Specifically, bids for integrating components and subsystems will be evaluated by the prime contractor, whose role is integration. In other words, bidders for component and subsystem integration will be competing against the prime, and the prime is the source selection authority.

The Secretary of the Army is directed to review the procedures being followed by the prime contractor and the Army and report to the congressional defense committees, within 60 days of the enactment of this Act, the results of his review and corrective actions taken to ensure fair and open competition for components and "bundling of components", as well as integration of components and "bundles". Recommendations should assure fair and equitable treatment for offerors as well as the prime contractor.

Domestic source for PAN fiber

In order to satisfy design requirements, the THAAD missile must use a particular advanced composite material made with Toray M401J polyacrylonitrile (PAN) carbon fiber. The sole supplier is a Japanese company which is planning to discontinue production due to small demand. To avoid an expensive delay in the THAAD program, it may therefore be necessary to develop and qualify a domestic source by 1997. The committee is aware that the Army Space and Strategic Defence Command (SSDC) and Missile Command (MICOM) have requested \$4.0 million of fiscal year 1995 manufacturing technology (MANTECH) funding for this purpose. The committee strongly supports the use of Army MANTECH funds for this purpose, as long as the program aims to qualify at least two domestic sources for PAN fibers.

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High thermal conductivity fibers

The committee is impressed with the initial results of the Navy program under PE 62234N to develop manufacturing methods for very high modulus, high thermal conductivity graphite fibers for applications such as transferring heat from electronics assemblies. Therefore, the committee recommends the amount contained in the budget request for this program and directs the Navy to continue these efforts in fiscal year 1995.

Mine countermeasures, mining, and special warfare

The committee supports an initiative of the Navy and the U.S. Special Operations Command to use multiple national and theater sensors to conduct surveillance in counter-mine and counter-barrier operations. The objective of this program is to improve the ability to collect, integrate, and exploit data from multiple sensors in times short enough to be useful to tactical commanders. The committee recommends an additional \$3.0 million in PE 62315N to accelerate this effort.

Navy advanced technology demonstrations

The committee is concerned that the sea control and littoral warfare advanced technology demonstration (ATD) program contained a variegated set of projects that were related by little more than their assignment to the same ATD program element. The committee believes that the Navy and Congress would be better served by spreading these subprojects to an appropriate home in program elements with which they share some common theme.

The committee therefore recommends no funds for the sea control and littoral warfare ATD (-\$82.1 million), but additional funds for the ship propulsion program (+\$17.1 million), the undersea warfare advanced technology program (+\$25.1 million), and the shallow water mine countermeasures demonstration program (+\$39.9 million).

Acoustic sensor systems

The committee believes that the Navy could lower the cost of towed and hull-mounted arrays used in antisubmarine warfare (ASW) by applying a number of new technologies. The Navy is investigating fiber optic components that show promise for reducing cost and weight, while maintaining or improving performance available in existing ASW systems. The committee also understands that a number of other technologies may lead to significant gains in cost and weight savings. These include technologies that may be available through advancements in ceramics and composites. The committee believes that the Navy should continue to explore technology developments across a broad front rather than focusing on a single technology thrust. The ultimate goal will be to identify the best technology or group of technologies that will result in significant cost savings for acoustic sensor systems.

Electromagnetic aircraft launch system (EMALS)

The committee is pleased that the Navy has made progress in developing a potential replacement for steam catapults for aircraft carriers. The committee notes that current catapults are high maintenance items and place significant demands during design and construction on getting high pressure steam to an area beneath the flight deck.

The committee recommends an additional \$1.5 million in the Navy's carrier systems development program to accelerate the electromagnetic aircraft launch system, including demonstrating a full-scale pulse power source.

Affordability through commonality

The Navy budget request included funding for a new Navy initiative called "affordability through commonality" (ATC). The Navy intends to design and build new ships using common modules, comprised of standard components and interfaces. Potential benefits include reduced construction time, increased outfitting efficiency, reduced spares infrastructure, and simplified training pipelines.

The committee applauds the Navy's efforts to reduce the total cost of ownership of the fleet. The Navy should aggressively search for ways to make its needs more affordable.

Commercial gas turbines

The committee understands that commercial gas turbines may have achieved capabilities that would permit the Navy to consider using them instead of gas turbines designed to military specifications. One such potential application is to replace current ship service turbine generator sets.

The committee encourages the Navy to investigate these possibilities and report to the congressional defense committees on the potential cost savings that could be derived by applying commercial gas turbines to Navy shipboard use.

Advanced amphibious assault vehicle

The committee strongly supports the Marine Corps advanced amphibious assault vehicle (AAAV) program. Without a modern assault vehicle, the Marine Corps will be unable to conduct amphibious assaults against defended shores from over the horizon. This vehicle program thus addresses the core of the Marine Corps mission.

The committee notes that a key risk in the program is the development of a high horsepower engine that meets the space constraints of the vehicle. The committee is satisfied that the Marine Corps is taking all reasonable steps to ensure success in this development and notes that critical technology demonstrations are scheduled to be completed in fiscal year 1995. However, the committee believes that the program is so important to the Marine Corps that an alternative plan would be prudent in the event that engine development efforts fall short of their goals.

The committee notes that the Marine Corps has successfully demonstrated a 7/8th's scale AAAV. The committee believes that the Marine Corps should examine whether a vehicle of that size could provide an alternative to a full-scale AAAV, if an alternative is needed. The committee is aware that a smaller vehicle would not be able to carry a fully-reinforced squad, and that additional vehicles might be required. The committee notes that the Army faced a similar problem when it developed the M2 Bradley fighting vehicle and finally reduced the size of its infantry squads. Although painful and unappealing from an operational perspective, the Army realized that squad reduction was an acceptable price to pay for gaining a very capable infantry fighting vehicle.

The committee directs the Commandant of the Marine Corps to develop a contingency plan in the event that the objective engine development program fails or cannot meet the minimum acceptable Marine Corps schedule for replacing its existing assault vehicle. This plan shall include an examination of a smaller AAAV. The plan shall examine the implications of a smaller vehicle for deck space "fingerprints". Space made available by a smaller unit footprint could be used for more vehicles, and, therefore, more Marines, which might compensate for reduced squad size within each individual vehicle. The plan should also examine unit cost tradeoffs. The plan should be submitted to the congressional defense committees no later than April 1, 1995.

Marine Corps digitization

The committee believes that the Army's "digitization" initiative could prove to be equally valuable for the Marine Corps. The committee urges the Marine Corps and the Army to work jointly on this program to ensure that the Marine Corps can benefit from Army technology, systems, and operational concept development.

Plasma arc technology

The committee recommends an increase of \$1.8 million in PE 603721N to allow the Navy to explore the use of plasma arc technology for solid waste treatment aboard naval vessels. Under the provisions of the Act to Prevent Pollution from Ships (33 U.S.C. 1902), naval surface ships must stop all disposal of non-plastic solid wastes, other than food wastes, in special areas by the year 2000. Naval surface ships must stop all disposal of plastics at sea by December 1998. The Navy and the committee believe that plasma arc technology holds promise for the shipboard management of solid waste. Funds for this project should be awarded through a merit-based selection process.

Ship self-defense

The committee continues to believe that the ship self-defense program is a very high priority for helping the Navy to operate successfully in littoral conflicts.

The committee has had a longstanding interest in an early, at-sea test of ships using integrated self defense systems. The Navy has informed the committee that such tests on the Whidbey Island (LSD-41) displayed performance even better than might have been expected. These tests combined information from different sensors and weapons systems to better coordinate defenses. The committee commends the Navy for following the committee's guidance about including infrared sensors early in the quick reaction combat capability (QRCC) testing effort.

Based on the continuing success of this program, the committee recommends an additional \$29.1 million, to be allocated as follows:

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These additional funds would permit the Navy to accelerate the engineering and manufacturing development effort, continue preparations at the land-based test site and on the self defense test ship, and procure NULKA decoys for additional at-sea testing.

The NULKA decoy completed initial operational testing and evaluation in fiscal year 1993. The Navy's operational testers found the system to be operationally effective, suitable and ready for limited introduction into the fleet. In a recent letter, the Assistant Secretary of the Navy for Research, Development and Acquisition indicated that enough cost and weight reduction benefits have been achieved that the Navy believes that NULKA can become a major contributor to ship self defense. Her letter predicted continued development and full-rate production.

Advanced deployable system (ADS)

The Navy has changed its focus from developing the fixed distributed system (FDS) as the next generation of the sound surveillance system (SOSUS). Instead, the advanced deployable system (ADS) has gained in priority. The FDS program would have established long-term systems in areas where the Navy could predict that surveillance would be important. Key to the change in emphasis from FDS to ADS is the need to develop a system suitable for Third World contingencies, one that can be deployed rapidly to establish surveillance in areas where we may not have been able to predict its need.

The committee believes that the Navy has been making good progress in evaluating alternative advanced deployable system (ADS) concepts. The committee wants to reiterate its belief that any such system must be deployable from several types of platforms, depending on circumstances. Surface ships could be effective deployment platforms when time and operations permit. However, the Navy must be able to deploy an ADS system by aircraft or unmanned undersea vehicles (UUVs) quickly for crisis containment or for covert operations. The committee is pleased that the Navy is also evaluating aircraft and UUV deployments for ADS.

The committee is aware of the Navy's considerable investment in critical technologies developed under the previous surveillance programs. The committee continues to encourage the Navy to consider, to the maximum extent practical, system components or technologies that are based on commercial standards and involve low to moderate risks.

Single channel ground and airborne radio development

The Navy and Marine Corps have been upgrading their communications capability with single channel ground and airborne radios (SINCGARS). Using SINCGARS developments over the past several years, the Navy and Marine Corps may have an opportunity to field an integrated communications network. This

network could provide the backbone of capability that will support Marine Corps digitization efforts led by the Army.

The committee recommends an additional \$5.0 million to accelerate efforts to analyze and demonstrate this potential. The committee would like to know whether the benefits of an integrated communications network for amphibious and mine countermeasures units justify the costs of undertaking such an effort.

The Army budget request included \$367.4 million for procurement of SINCGARS radios. The committee supports the funding request for fiscal year 1995, which would permit the Army to continue its dual-source acquisition strategy. The committee recognizes the importance of SINCGARS at all levels on the battlefield and urges the proliferation of SINCGARS throughout the military Services, including the National Guard and reserves. The committee re-emphasizes that SINCGARS is a congressional special interest item and again directs that SINCGARS funding not be used as a reprogramming source in fiscal year 1995 without prior congressional approval.

Tactical aviation

Two years ago, the committee devoted substantial attention to the Department's modernization plans for tactical aviation. The committee faulted the Department for three failings. First, the committee concluded that there was virtually no inter-Service coordination of tactical aviation modernization plans. Each of the Services was pursuing its own priorities, and no one in the Defense Department was rationalizing those priorities on a Department-wide basis. Second, the committee noted that no overall acquisition strategy guided the modernization programs. One program would have a flying prototype phase and another would press directly into engineering development after a paper competition. Third, the committee found that none of the modernization plans flowed from a rigorous assessment of roles and missions.

Last spring the Department provided a non-responsive, pro-forma response to the committee's concerns, but deferred all questions on tactical aviation modernization to the Bottom-Up Review. Unfortunately, the Bottom-Up Review has now produced a plan that has many features in common with the previous plan. The Air Force and Navy abandoned their commitment to the AFX attack aircraft in order to place highest priority on the F-22 and the •F-18E/F. They abandoned their only joint aircraft program—a long range attack fighter, which the committee believes should have the highest priority. The Navy does not intend to operate the F-22, and the Air Force has no intention to operate the •F-18E/F.

One potentially bright spot in the Bottom-Up Review is the joint advanced strike technology program (JASTP). While the committee remains concerned about where JASTP is headed, the committee believes that the Department has been able to bring much more focus to the program than was apparent last year when the Department briefed the concept to Congress.

However, this is not the first time that the Department has said, "The next aircraft program will be a joint one," only later to have the Services adopt diverging programs. The committee concludes that the only affordable long-term modernization plan must maximize commonality, where the Air Force and the Navy procure and operate the same aircraft. The committee also believes that both the Air Force and the Navy could face the same threats and operate side by side, necessitating a common technological approach. The committee will carefully monitor the JASTP and potential subsequent efforts to ensure that Service programs remain converged.

In the shorter term, the committee is disappointed that the Department has chosen to ignore a requirement to inform the Congress on the potential for merging Navy requirements into the •F-22 program.

Last year, the committee noted that there are two potential approaches to a joint program. One approach would be to establish a Navy modification program running parallel to the Air Force's •F-22 program. This approach would provide maximum component commonality. The second approach would suspend further development of the F-22 and develop a carrier-suitable F-22 that could be purchased by both Services. This approach would provide complete commonality, though it would disrupt the current F-22 program. The committee directed the Under Secretary of Defense for Acquisition to evaluate the second approach to

determine its advantages and disadvantages. The committee directed the Under Secretary to provide this report to the congressional defense committees by December 31, 1993.

The Department has provided no report. The committee finds this response unacceptable. As a result, the committee recommends the following actions:

(1) The Department shall obligate no more than 80 percent of fiscal year 1995 funds available for F-22 and F/A-18 E/F development until the Under Secretary of Defense for Acquisition and Technology provides the report required last year.

(2) The Department of Defense shall establish a joint Air Force, Navy, and Office of the Secretary of Defense (OSD) program office to design a Navy variant of the F-22. The committee recommends \$10.0 million to fund the first year of this effort.

F-14 aircraft upgrade program

The budget request included \$158.3 million for the procurement and installation of various modifications, including the structural and survivability upgrade, to the F-14 aircraft. The Navy believes that these modifications are necessary to ensure that the F-14 fleet can operate past the turn of the century. The budget request also included \$171.7 million for research and development on various programs, including the Block I upgrade program.

The statement of managers accompanying the conference report on the National Defense Authorization Act for Fiscal Year 1994 (H. Rept. 103-357) required the Secretary of the Navy to submit a report dealing with congressional concerns about the Navy's upgrade path for the F-14 program.

The Navy has submitted that report. The report supports exactly the same plan that the congressional defense committees found troublesome last year. The committee is persuaded by the Navy's arguments that it cannot afford a more robust upgrade, particularly in view of declining resources. The committee was also interested by the Navy's comparisons of capability that show the F-14 Block I upgrade program will produce capability very similar to that already resident in the F/A-18 C/D aircraft. The committee understands that these aircraft, and the E/F variant as well, will not have all the range available with the F-14.

However, the committee is persuaded that the Navy budget will not be able to afford the ultimate \$1.6 billion cost of this program. Precision bombing capability would not be available for the F-14 much before the F/A-18 E/F program achieves initial operating capability.

Therefore, the committee recommends full authorization for F-14 aircraft modifications, and no new funds for F-14 research and development. The committee understands that remaining fiscal year 1994 Block I upgrade program funds will be more than sufficient to cover non-Block I research and development requirements remaining in the fiscal year 1995 program.

Marine Corps ground combat systems

The Marine Corps is developing a light armored vehicle-air defense (LAV-AD) system. The armament on this system consists of Stinger missiles and a 25mm gun. The LAV-AD system recently experienced some problems during operational testing. The committee understands that these problems do not appear to be insurmountable, but they will require the Marine Corps to conduct some additional development and re-testing before placing the system in production. The committee recommends an additional \$10.0 million to continue development and testing in fiscal year 1995.

Short range air-to-air missile development

The Navy and Air Force are seeking to make a major improvement in the capability currently fielded in the AIM-9 Sidewinder missile. The committee understands that very sensitive security requirements are associated with such a program. Nevertheless, the committee believes that the Department should take all

reasonable steps to ensure that friendly governments and their missile candidates are given every opportunity to meet the Department's required capabilities.

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Thermionic conversion technology

The National Defense Authorization Act for Fiscal Year 1994 authorized \$10.0 million to continue research and development of thermionic conversion technology. Thermionics is an innovative, dual-use technology that can convert heat from almost any source, including combustion, solar, and nuclear, directly into usable electrical energy with no moving parts. The applications of this technology range from space power and propulsion to terrestrial energy conservation and cogeneration initiatives.

The committee believes that the U.S. thermionics program offers the potential for revolutionary improvement in power generation, with substantial defense and commercial application. In particular, the committee is encouraged by progress in developing thermionic "bimodal" technology that will substantially enhance the cost and operational effectiveness of existing satellite power and propulsion systems.

The committee recommends an increase of \$10.0 million in PE 0602601F to continue research and development of thermionic conversion technology in fiscal year 1995.

High frequency active auroral research program

The committee is aware of the promising results of the high frequency active auroral research program (HAARP). This transmitter in Alaska, besides providing a world class research facility for ionospheric physics, could allow earth-penetrating tomography over most of the northern hemisphere. Such a capability would permit the detection and precise location of tunnels, shelters, and other underground shelters. The absence of such a capability has been noted as a serious weakness in the Department of Defense plans for precision attacks on hardened targets and for counterproliferation. In fact, the May 1994 report from the Deputy Secretary of Defense on nonproliferation and counterproliferation activities and programs recommends increased funding of \$75.0 million annually for detection of underground structures.

The committee recommends \$5.0 million in PE 62601F to continue the HAARP project, but notes with concern that the capital cost of a full-scale HAARP facility could be as much as \$90.0 million. Unless the Department of Defense is committed to include such a project in future budget requests, the recommended authorization for fiscal year 1995 will have little effect. Therefore the committee directs that none of these funds may be obligated or expended until the Secretary of Defense notifies the Committees on Armed Services of the Senate and the House of Representatives that the Department will, as part of the nonproliferation and counterproliferation program recommended in the May 1994 report, include the cost for a full-scale HAARP facility in its fiscal year 1996 budget request.

Passive identification friend or foe

The committee has learned of an ongoing program for passive aircraft identification that shows promise. If successful, the initiative could be instrumental in avoiding friendly fire losses.

The committee recommends that the Air Force apply \$1.0 million from within PE 62702F for development of real-time, automatic, passive identification of both hostile and friendly aircraft. The committee understands that program was to be reviewed in early June 1994 to validate results. The committee's recommendation is made under the presumption that the program will receive a favorable review of its test results.

Defense meteorological satellite program

The budget request contained \$7.6 million to continue development activities associated with a block change for the defense meteorological satellite program (DMSP). Budget documentation indicates that the

Air Force intends to spend about \$300 million on this block change development over the next five years, in anticipation of an "early 2000s" deployment.

The committee disputes the timing of this requirement. DOD has nine DMSP satellites in inventory; the National Oceanic and Atmospheric Administration (NOAA) of the Department of Commerce has five similar satellites; and NOAA plans to procure two more satellites in the near future-for a total of 16 satellites. This inventory will last far beyond the beginning of the next decade.

Last year, the committee recommended that NOAA forgo procurement of the two additional satellites, modify two DOD DMSP satellites instead, and use all or part of the savings to begin development of an improved, common satellite. The bus for the DOD satellite is 85 percent common with the bus for the NOAA satellite, and they are made by the same contractor. The committee cannot believe that modifying the DOD bus to carry NOAA instruments could be more expensive than buying new satellites. The Administration has evidently rejected this approach, however, which would have justified a near-term development program for a follow-on, common satellite.

The committee, therefore, recommends a reduction of \$4.0 million to the budget request and urges the Administration to develop a more coherent and integrated plan for weather satellite modernization.

Missile warning and tracking

The National Defense Authorization Act for Fiscal Year 1994 combined the requests for several ballistic missile warning and tracking programs together, reduced the requested amount, and directed the Secretary of Defense to decide which programs merited investment. The Secretary responded by limiting additional defense support program (DSP) satellite procurement to one satellite; canceling the follow-on early warning system (FEWS); initiating a cheaper alternative to FEWS, called the alert, locate, and report missile (ALARM) program; and reduced the scope of the Brilliant Eyes mid-course tracking program.

The committee endorses these measures, but believes that problems remain in DOD missile warning programs.

According to DOD, the FEWS program was terminated because it was too expensive and the requirements for the system were excessive. However, the life-cycle cost for ALARM is estimated to be almost identical to that of the FEWS program. The explanation provided by the Air Force is that the ALARM system initially will be less capable than FEWS, but will be improved in stages to achieve virtually the same set of performance specifications that were established for the FEWS system. The initial design of ALARM will be capable of detecting dim, short-burn missiles over enough area at a given time to support the two major regional contingency strategy. The objective design, in contrast, will be able to provide such capabilities worldwide. The difference in life-cycle costs between the initial and objective systems is estimated to be on the order of three-to-four billion dollars. The missions that the objective system will be able to perform that the initial design would not are technical intelligence collection and missile proliferation monitoring.

Technical intelligence collection has previously been the responsibility of the national foreign intelligence program (NFIP). This mission was transferred to the Air Force when requirements were established for the FEWS system. The Secretary of Defense and the Director of Central Intelligence (DCI) must consider whether this mission is worth billions of dollars, whether cheaper alternatives are available to satisfy the requirement, and whether the DCI or the Secretary of Defense should be responsible for the mission. The committee directs the Secretary and the DCI to resolve this issue and to incorporate the results in the fiscal years 1996-2001 Future Years Defense Program and fiscal year 1996 budget request.

Senior Department of Defense officials have testified that there is an acceptably small risk of a gap in missile warning coverage of a major regional contingency during the transition from DSP to the ALARM system. However, this assessment does not address shortfalls in strategic missile warning and technical intelligence collection, and assumes the availability of classified capabilities for regional contingencies that are not funded. The shortfall could be in excess of \$300.0 million.

Meanwhile, DOD intends to spend over \$500 million on a Brilliant Eyes (BE) demonstration even though there are no plans to deploy any national missile defense capabilities, and no plans to incorporate BE into theater missile defenses. DOD also intends to spend \$150.0 million on a technology demonstration for ALARM that at best could affect the design of the first block change for ALARM, which is not scheduled for launch for another 15 years. The issue is whether these funds would be better spent fixing the serious funding shortfalls outlined above or accelerating the ALARM program.

In addition, the committee notes that Congress transferred the Brilliant Eyes program to the Air Force last year because of concerns that the Ballistic Missile Defense Organization (BMDO) and the Air Force were not taking the necessary steps to ensure that BE and the next-generation missile warning satellites were integrated and complementary. The Department of Defense, however, now proposes transferring BE back to BMDO without addressing the problem identified by Congress.

Accordingly, the committee recommends:

(1) reducing the amount requested for ALARM by \$31.0 million, which is the amount requested for the technology demonstration program outlined above;

(2) transferring the BE program to the Air Force, placing the funds in PE 603441F, and giving the Secretary of Defense the latitude to use the funds to correct technical intelligence and warning shortfalls, to accelerate ALARM, to continue a BE program geared to theater defense, or to continue DSP procurement; and

(3) requiring the Secretary of Defense to report to the congressional defense and intelligence committees by April 1, 1995, on his views on all the issues raised in this report.

Report on F-22 program

The committee wants to be fully informed about any excessive concurrency in the F-22 program, if it exists, and the risks associated with it. Accordingly, the committee directs the Department of Defense and the General Accounting Office each to assess the degree of concurrency and risk in the F-22 program, and to report to the congressional defense committees by December 31, 1994.

Composite propellers

The committee report on S. 1298 (S. Rept. 103-112) directed the Secretary of the Air Force to provide an analysis of:

- (1) the costs to develop and procure all-composite propellers;
- (2) the technical development challenges that must be overcome to develop a composite propeller for new or existing aircraft;
- (3) the potential operating and support cost savings from using all-composite propellers; and
- (4) the potential costs and benefits of backfitting existing aircraft with such a propeller.

The committee believed that there may be an opportunity to develop all-composite propellers for tactical transport aircraft to improve performance and to reduce operating and support costs. The Secretary has not yet provided this report. Informally, the committee understands that the report will recommend moving forward with such a program. The committee recommends \$8.0 million to begin fabrication and component-level testing that would lead to qualification of an all-composite propeller.

Sled tracks

The committee has been aware for some time that sled track capacity within the Department of Defense is greater than the Department's testing requirements. The committee received testimony on April 22, 1994 that the sled track at Holloman Air Force Base would be the focus of future DOD investments in high speed

sled track facilities. This heavily utilized facility is the most capable of the DOD tracks. Therefore, the Department has initiated plans to upgrade the facility to meet future DOD requirements for high-speed sled tracks.

The committee has also been informed that the recent study of the Department's test and evaluation infrastructure conducted by the Service vice chiefs of staff has recommended the consolidation of all Air Force and Navy sled test activity at Holloman Air Force Base. The committee concurs in this recommendation.

The committee accordingly directs the Department of Defense to begin the consolidation of Air Force and Navy sled testing at Holloman Air Force Base and the closure of excess facilities as soon as possible. It directs DOD to provide a plan for this consolidation to the Committees on Armed Services of the House of Representatives and the Senate no later than December 1, 1994. The committee recommends an additional \$4.0 million in PE 65708F to accelerate the modernization of the Holloman track.

Mission planning imagery

The Department of Defense, with the Air Force in the lead role, has been developing capabilities to process medium-resolution imagery to create a digital data base for mission planning. The Air Force has used imagery primarily from the French SPOT satellite, and had planned to utilize the high-resolution multi-spectral imaging (HRMSI) sensor being developed for the Landsat satellite. The HRMSI sensor has been terminated, and the ability of the future version of Landsat to satisfy mission planning and other mapping requirements of the Department of Defense is doubtful. However, U.S. industry now plans to develop commercial imaging satellites, and Russia is offering a range of imagery products commercially. In the future, a joint U.S.-Russian venture plans to market high-quality multi-spectral imagery from the Almaz 1B satellite.

The Committee directs the Assistant Secretary of Defense for Command, Control, Communications, and Intelligence to coordinate the definition of requirements for medium-resolution imagery for mission planning, mapping, charting, and geodesy, and develop a phased acquisition plan. This plan shall be submitted to the congressional defense and intelligence committees by April 1, 1995.

Air traffic control and landing system

The budget request included \$7.6 million for microwave landing system (MLS) avionics development. The Federal Aviation Administration recently announced that the MLS program would be terminated and that a GPS-based precision landing system would be developed instead. In light of this decision, the committee recommends termination of the DOD MLS program.

Global positioning system

The committee is informed that the Air Force intends to issue a request for proposals (RFP) for the follow-on to the Block IIR global positioning system (GPS) satellite in January 1995. The committee is very concerned about this schedule. A number of studies are underway in the Department of Defense, some in response to congressional direction, that are designed to answer important questions on the future design and management of the GPS satellite system. Several of these studies will not even be complete by the time the Air Force now plans to issue the RFP.

The committee fully supports the GPS program. However, the committee also recognizes that DOD, civilian federal agencies, the private sector, and indeed the world will depend on this block of GPS satellites to meet a wide variety of critical and rapidly evolving navigation, guidance, and timing requirements 15 or more years in the future. The committee believes that care must be taken to ensure that mistakes are not made to jeopardize the future utility of GPS simply to meet a particular schedule. Although changes can be made to an RFP and even to a development and procurement contract, they will be more costly and uncertain if made later.

Moreover, it is already clear that DOD will have to procure additional Block IIR satellites to prevent a gap in coverage before the follow-on satellite is deployed. Adding more satellites to that purchase is certainly feasible if the schedule for the follow-on satellite is delayed. If that gap-filler procurement is large enough, in fact, it could be competed to ensure that unit costs are reasonable. The committee also notes that

DOD has yet to determine how many satellites are required to fill that gap, even if it is assumed that the follow-on RFP is released as planned.

Accordingly, the committee directs the Office of the Secretary of Defense (OSD) to carefully monitor the ongoing GPS studies and ensure that the results are fully considered before allowing the Air Force to release the RFP. OSD should also scrutinize Air Force plans for gap-filler procurement to ensure that unit costs are controlled and that the size of the procurement is sufficient to eliminate coverage gaps. The committee directs the Assistant Secretary of Defense for Command, Control, Communications, and Intelligence (ASD(C3I)) to consult with the congressional defense committees and to provide a copy of the RFPs for gap-filler satellites or for the Block IIR follow-on prior to release to industry.

The committee remains concerned about the potential for adversaries to jam GPS-aided munitions, such as the Joint Direct Attack Munition (JDAM), which DOD plans to procure by the thousands. The GPS program office believes it will be impractical to substantially alter the performance parameters of GPS spacecraft in the future. The program office believes that increased jam resistance and other improvements in system performance must be achieved through improvements to user equipment. GPS users, however, such as the JDAM program, claim that it would be too expensive to modify weapons delivery platforms to improve weapon jamming resistance. The Defense Science Board is examining such issues now. The committee directs the Under Secretary of Defense for Acquisition and Technology (USD(A&T)) to forward the DSB report to the congressional defense committees when it is completed, and to convey the actions the Department intends to take in response to the study when such decisions are made.

The committee is not persuaded that DOD has adequately defined the countermeasures threat faced by GPS users. Without a threat definition, requirements for protection cannot be justified for development. The committee directs the Assistant Secretary of Defense for Command, Control, Communications, and Intelligence to coordinate the definition of the threat to GPS users.

In general, the committee concludes that the technique for acquiring the GPS encrypted signal is too vulnerable to disruption. In addition, the signal acquisition sequence precludes jamming hostile receivers in the vicinity of friendly forces. It is imperative that DOD find solutions to these problems.

The committee has found that a large number of separate initiatives are underway to develop new applications of GPS and new countermeasures. These initiatives are too often pursued in isolation. In addition, solutions to most problems and limitations with GPS will require a systems approach and coordination among the space, ground, and user segments of the GPS system. The committee believes that the GPS Joint Program Office should be the focal point and center of expertise for GPS initiatives. The committee therefore directs that the GPS program office, and the Office of the ASD(C3I), be made aware of all GPS-related initiatives within the Department of Defense, regardless of classification.

The committee is also concerned about the ability of the intelligence and mapping communities to provide targeting support to a major air campaign in which GPS-aided munitions are used on a large scale. Not only must many targets be located with great accuracy, but also the throughput on a daily basis would have to be enormous. The committee doubts the ability and the commitment of the intelligence and mapping communities to support this critical requirement, particularly in adverse weather conditions. The committee directs that the next Defense Acquisition Board (DAB) review of the JDAM program formally examine this issue and provide a certification to the congressional defense committees that campaign-scale, all-weather targeting support for JDAM is programmed and will be fielded on the same schedule as the JDAM program. If no such certification can be made, the committees shall be informed of the reasons why and of necessary corrective measures.

The committee directs that \$10.0 million of unobligated or unexpended funds from the terminated Landsat earth resources satellite program shall be applied to upgrading the Defense Mapping Agency's digital production system to process data collected by classified imaging systems. These imaging systems are discussed in the classified annex to this report.

The committee urges the Air Force to continue its investigations of the potential benefits of developing a differential navigation and guidance capability based on the encrypted GPS P code signal.

Aircraft ejection seats

Aircraft ejection seats must be designed to extricate pilots from aircraft in emergency situations. Designers must make trade-offs between reliably ejecting large pilots and risking serious injuries to smaller

pilots. A seat that has enough energy to eject the largest pilots may seriously injure smaller pilots. A seat with reduced energy that will not injure smaller pilots may not have enough energy to extricate larger pilots.

The committee understands that new technologies, including some deriving from the ballistic missile defense programs, could have promise for automatically varying the explosive forces acting on ejecting pilots. The committee believes that this technology could reduce the incidence of serious, career-ending injuries. The committee directs the Secretary of the Air Force, in consultation with the Secretary of the Navy, to report to the congressional defense committees on the potential for applying new technologies to ejection seats. This report should address the maturity of the technology for improving ejection seat performance, the programs for improving ejection seats that are supported in the budget, and whether there are opportunities for modifying existing seats to improve their performance. The Secretary should submit this report by May 1, 1995.

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Acquisition infrastructure

The committee is aware of the difficulty of reducing the acquisition infrastructure of the Department of Defense as the size of the Department declines and its missions change. The committee is also aware of the difficult political issues involved in closing installations and moving units from one location to another.

Despite these difficulties, the Administration has tried to reduce its acquisition infrastructure as its need for research, procurement, and testing has declined. These efforts are laudatory. Unfortunately, the complexities of interagency coordination, the fear of political resistance, the natural desire for agencies to hold on to infrastructure long past its need, the changing missions of the Department, and other factors have combined to slow the consolidation of infrastructure assets needed to implement real reductions. The result is a continuing burden of maintenance and operating costs that are seriously eroding the buying power of the Department's declining RDT&E resources.

In light of this situation and the fact that the Administration has ignored the committee's requests for planning information on infrastructure needs, the committee has no alternative but to reduce funding for the RDT&E infrastructure accounts to achieve savings the Department seems incapable of achieving on its own. Therefore, the committee recommends a reduction in the Administration requests for acquisition and T&E infrastructure funding by \$166.0 million and reallocates the resulting savings to high priority science and technology projects.

DODDS Director's Fund for Science, Mathematics, and Engineering

The committee is pleased to again note the progress made by the DODDS Director's Fund for Science, Mathematics, and Engineering. The purpose of this innovative program is to improve the teaching of mathematics, science, and engineering to the dependents of members of the U.S. armed forces around the world. The committee hopes that the modest investment in this program will allow the Department of Defense dependent school system to be one of the first, if not the first, school systems to meet the Goals 2000 educational standards and goals.

The committee has been concerned, however, that the Department of Defense has not fully funded this program since its inception and has consistently used funds authorized for this program for other purposes. The committee is also concerned that a misunderstanding exists over who in the Department of Defense is in charge of the program. As its name clearly states, the program is intended to be under the direct administration and control of the Director of the Department of Defense dependent school system. To clarify this point, the committee recommends statutory funding levels, and a provision that would establish the program in law.

The committee directs that \$20.0 million be provided for this program from PE 61103D.

Computer assisted education

The committee is pleased that the Department of Defense has developed an excellent multi-agency plan for the execution of computer assisted education. The committee is encouraged that the plan envisions the two federal school systems, the Department of Defense dependent school system and the Bureau of Indian

Affairs school system, as the testbeds for the systems and procedures developed in this innovative program. These two federally operated school systems should be America's model systems and should lead the way for all of America's schools in meeting the President's goals for educational excellence. This cooperative effort between technologists and educators seems to be finding the correct balance between technology and the cost effective systems and procedures that must be developed if technology is to be introduced into the capital-limited world of local education.

The committee is aware that the defense research community and educators are not used to working with one another. This cooperation will require broad adjustments to establish effective procedures in both communities. The committee urges both communities to work together with the common goal of bringing affordable state of the art technology into the classroom to achieve educational excellence. In this regard, the committee urges the Department of Defense to apply the widest possible latitude to funding computer assisted education. The Department must be aware of the unique working arrangements of the educational community, which often involves work at home and special compensation for summer employment.

The committee approves of the interagency arrangements for this program but encourages the Department to ensure that it takes full advantage of a close relationship with the Department of Education, NASA, the President's Office of Science and Technology Policy, and other government agencies involved in education.

The committee recommends \$20.0 million of the funds provided for PE 61103D for this program. The committee further recommends \$2.0 million each in PE 61102A, PE 61153N, and PE 61102F to conduct a competitive outreach program by one laboratory or research facility in each Service. This outreach program would deploy existing computer assisted education systems for the teaching of science, mathematics, or engineering to the local high schools in the area of the installation.

Medical free electron laser

The committee is pleased that the budget request contains adequate funds for the medical free electron laser program, which is underway at geographically distributed, merit-selected, medical university-based centers. This program has led directly to a greater understanding of high peak power, short pulse laser technology that has been translated into medical breakthroughs in the treatment of burns, eye disease, cancer, cardiovascular disorders, skin lesions and neoplasms, kidney and gallstones, and AIDS.

The committee is pleased that the Department of Defense has so ably directed this successful program, which is benefiting millions of Americans, and recommends that the full amount requested for the program, \$25.9 million, be authorized. Additionally, the committee supports the Department's practice of requiring no less than four-fifths of the funds authorized to be applied through the university-based centers to adapt tunable, short pulse, high peak power, free electron laser technology to applications in medicine, photobiology, surgery, and associated materials science.

Software reuse and technology transfer

In 1993, the committee recognized the importance of making the United States more competitive globally by improving methods to reuse existing software programs in additional applications and to develop software. The committee endorsed the initiative by the Advanced Research Projects Agency (ARPA) to promote new activities involving cooperative agreements with existing software consortia and authorized funding for these efforts.

The committee is pleased with the reuse technology adoption program, a project funded by DARPA to advance software reuse and technology transfer, to protect U.S. software technological advances, and to strengthen future U.S. competitiveness. In order to continue this software reuse initiative and protect this vital technological resource, the committee recommends that \$7.5 million of the funds authorized in PE 62301E be used for the continuation of the reuse technology adoption program within the consolidated DOD software initiative.

Flat panel displays

The committee supports the initiative announced by Deputy Secretary Deutch on April 28, 1994 on flat panel display technology. The initiative seeks to tap the rapidly growing commercial flat-panel market to meet the DOD requirement for early and reliable access to affordable, leading-edge flat-panel display technology for insertion in weapons systems and command and control systems. The Pentagon cannot meet

that requirement from current or projected off-shore suppliers. Unfortunately, American firms are not manufacturing leaders at this time, even though they are technology leaders, in part because of the \$300.0 million investment by the Advanced Research Projects Agency (ARPA) in flat panel R&D since 1989. The Pentagon initiative seeks to address this problem.

The initiative is consistent with the statutory commercial-military integration policy for the national technology and industrial base (section 2501 of title 10, United States Code) and with the recommendation in the committee report on S. 1298 (S. Rept. 103-112) that ARPA "leverage private sector investments wherever possible through cost-sharing research partnerships" in display technologies.

To meet the Department of Defense's requirement for a responsive, affordable manufacturing capability, the Department is planning to limit a portion of its research investment in flat panel technology to firms committed to volume manufacturing for the commercial marketplace, just as DOD limits other research investments such as semiconductors and aircraft to firms capable of producing the results of the research. Such firms can compete for cost-shared funding of research on next-generation technology through the technology reinvestment program.

Another component of the DOD initiative is to provide matching funds for two pilot flat panel manufacturing lines selected as a result of a 1993 ARPA competition. Questions have been raised about the use of Defense Production Act Title III funds to support part of the cost of the second pilot line. In order that this issue not delay the initiative, the committee adds \$25.0 million in PE 602708E to fund the second line from R&D funds, in lieu of Defense Production Act Title III funds.

Reconfigurable small craft development

The committee understands that a proposal for developing technology could lead to a small craft that would be reconfigurable for different missions. The committee believes that such a craft could be useful in supporting the Navy's operations in shallower, littoral waters. Last year, the committee directed the Advanced Research Projects Agency (ARPA) to provide an analysis to determine what technological advances would be desirable for this application, and to evaluate whether there is a requirement for such a system in the Navy, U.S. Special Operations Command, or in drug interdiction operations.

ARPA provided a report dealing with the first question. Unfortunately, the report did not deal with the second. Perhaps this question is one more appropriately answered by the Joint Requirements Oversight Council (JROC). Therefore, the committee directs the JROC to evaluate whether there is a requirement for such a system in the Navy, U.S. Special Operations Command, or in drug interdiction operations and report its findings to the congressional defense committees by March 31, 1995.

Continuous fiber metal matrix composites

Fiscal year 1995 would be the fifth and last year of a five-year program to develop a manufacturing capability for continuous fiber metal matrix composites. The committee is again disappointed that the Administration did not fund this project despite the Administration's plans to use this technology in advanced jet engine blade development. The committee recommends an authorization of \$17.0 million in PE 62712E for the final year of this work.

Defense nuclear agency

The committee believes strongly that centralization of effort is a sound principle that should be followed in this era of diminishing defense funds. This is especially true in the areas of nuclear mission support and the application of nuclear technology to other defense needs. Not only is centralization a sound application of limited resources, but it also provides the best means to preserve the nuclear competencies still essential in the post-Cold War world.

For the past several years, the committee has encouraged the consolidation of the DOD nuclear support mission within the Defense Nuclear Agency (DNA). The committee has also urged that DNA apply its unique nuclear expertise to related non-nuclear programs, particularly those associated with advanced conventional munitions and conventional weapons lethality against the growing number of hard and underground facilities. Many of these hard targets are associated with weapons of mass destruction (WMD). The committee believes that the nation could maximize its investment in DNA by fulfilling urgent needs not otherwise being coherently addressed by following this course.

In 1993, a study conducted by the Defense Science Board, as well as a joint OSD and Joint Chiefs of Staff study, confirmed the soundness of this course of action. As a result, the Secretary of Defense informed Congress that DNA would be retained as the DOD center of nuclear expertise and would apply its nuclear competencies to the pressing post-Cold War nuclear reduction program focused on the safe and secure dismantlement of former Soviet WMD, the development of verification technologies, and technical assistance for counterproliferation efforts. The committee continues to strongly support this decision and is pleased by the progress made in its implementation.

INDEPENDENT ASSESSMENT OF DNA MISSIONS AND FUNCTIONS

During deliberations on the fiscal year 1994 defense budget, Congress considered whether additional savings could be gained by distributing the functions of DNA among other DOD or Department of Energy (DOE) components. As a result, the RAND National Defense Research Institute was directed to study options for accomplishing the functions performed by DNA. These options were, at a minimum, to include: (1) transferring DNA functions to the individual armed Services and the Advanced Research Projects Agency (ARPA) under an arrangement whereby a Service or ARPA becomes the executive agent for DOD for the function or functions transferred; (2) maintaining DNA as a separate agency under the plan proposed by DOD in a letter to the congressional defense committees on June 25, 1993, to adapt the agency to the conditions of the new international security environment; (3) transferring DNA functions to the DOE nuclear weapons laboratories; (4) combining any of the previously listed options; and (5) reorganizing DNA to significantly reduce the agency's operating, management, administrative, and other overhead costs.

RAND has not yet concluded its study. However, the committee has received briefings by representatives from RAND, and understands that the study will conclude that significant savings will not be achieved by transferring DNA functions elsewhere. In fact, the committee understands that RAND has concluded that the transfer of DNA functions to another entity could place essential nuclear competencies at moderate to substantial risk, depending upon the option selected. It has also been suggested that consideration should be given to consolidating nuclear weapons support activities in a single DOD agency.

COMMITTEE FINDINGS

The committee is in general agreement with what it understands will be the RAND findings and recommendations. The committee believes that the transfer of DNA functions to another organization could place critical nuclear competencies at substantial risk as the nation rapidly downsizes its nuclear budget, force structure, and supporting infrastructure. The committee believes these competencies should be preserved within DNA, as an organization with proven expertise.

First, while the danger of an all-out nuclear exchange is much lower today due to the breakup of the former Soviet Union, the proliferation of weapons of mass destruction is increasing, and as a result, the possibility of limited use of nuclear weapons exists. Clearly, the end of the bipolar world has made nuclear weapons acquisition easier and more attractive to many nations. Any credible security assessment must consider the threat posed to our security by rogue nations like North Korea, Iraq, or Libya armed with nuclear weapons. Unquestionably, U.S. military forces must be prepared to operate in a nuclear environment.

Second, there is a belief that smart conventional weapons can supplant nuclear weapons as the nation's primary deterrent, perhaps even against rogue nuclear powers. While this may be desirable, such reliance today would be undermined by substantial technology limitations. While Operation Desert Storm revealed the accuracy of U.S. precision guided munitions, it also revealed serious shortcomings in their lethality against buried, deep underground, or otherwise hardened facilities. In short, some targets could not be destroyed by existing U.S. weapons. Nations around the world have taken note of this and are busy burying or otherwise hardening their essential command and control facilities, as well as their advanced weapons, munitions stockpile, and production centers. Most ominously, many nations are placing their weapons of mass destruction, and their associated infrastructure, in deep underground shelters, tunnel complexes, and bunkers. Clearly, the United States requires options for dealing with such targets.

Third, the future of nuclear deterrence, as well as the size and capabilities of the remaining stockpile and force structure, are currently under review. Whatever the outcome, however, nuclear weapons will be an inescapable component of the global security environment for the foreseeable future.

The committee intends to ensure that critical nuclear competencies are maintained at DNA, with corrective action already initiated, as noted elsewhere in this report.

THE FUTURE OF DNA

Action needed in the near term includes the resolution of the relevance of the DNA to future advanced conventional support missions.

The committee believes that centralization of nuclear support functions within DOD, built upon DNA as the base, is both warranted and urgent. DNA is the only continuing DOD repository of nuclear expertise in the combined areas of science and technology, technology and development, operations, and oversight functions. As such, it is and should remain at the core of DOD nuclear support expertise. Division of its functions yields no significant savings yet places critical capabilities at serious risk. Although the nuclear-specific demands placed on DNA should decline somewhat in volume, the ability to support these missions remains essential regardless of the size of the future nuclear force and stockpile.

Consistent with its previous reports, the committee also believes that DNA nuclear expertise has direct and, in many cases, decisive applicability to a wide-range of post-Cold War defense needs. Among these are the development of advanced conventional munitions, warhead lethality against hardened and buried targets, hard target and conventional weapon interaction, verification of weapons of mass destruction, and technology assistance for counterproliferation efforts. In addition to making valuable and needed contributions to national security, these functions aid in the preservation of core nuclear competencies. Without meaningful and contributing work to perform, the talent required to sustain core nuclear expertise cannot be attracted and retained.

Accordingly, in addition to authorization of the fiscal year budget request of \$231.9 million, the committee recommends a \$20 million increase for the completion of the LANSCE/LAMPF at the Los Alamos National Laboratory. This is the second and final year of the upgrade program. Once upgraded, the facility will be a valuable addition to the Department of Energy's nuclear weapons stockpile stewardship program.

Nuclear Test Personnel Review (NTPR) Program

DNA manages the nuclear test personnel review (NTPR) program that provides dose reconstruction, historical research, and veterans' outreach programs to assist participants in atmospheric nuclear testing in applying for health care or compensation from the Departments of Veterans' Affairs and Justice. Even though the NTPR program is different from the Administration's interagency effort studying the conduct of radiation research on humans, the latter effort has stimulated overall public interest, doubling the number of inquiries made to the NTPR program. The increased workload is positive in that it means contact is being established with many program participants not previously reached through the NTPR public outreach efforts. DOD provided \$3.0 million in additional O&M funding for the unplanned increase in NTPR fiscal year 1994 activities; however, it failed to provide additional funds to address the increased workload expected in fiscal year 1995. Accordingly, the committee recommends an increase of \$3.0 million to the O&M account for DNA.

Defense Nuclear Agency non-nuclear programs

The committee continues to strongly support the joint Defense Nuclear Agency (DNA)-Navy electrothermal gun program. This program illustrates the committee's belief that it is important for DNA to apply its expertise in high energy physics to other military problems. The electrothermal gun program hopes to achieve very long ranges-several times the range of the largest conventional artillery-by injecting large amounts of electrical energy into the propellant as the propellant is ignited. This process greatly prolongs the acceleration of the projectile and allows dramatic increases in muzzle velocity and range. A number of years ago, the United States was in danger of losing the potential of this technology because of inadequate theoretical understanding of the high-energy processes involved. It turned out that the physics required to understand electrothermal combustion, and therefore to make design improvements, was very similar to the physics of high-energy densities that had been the exclusive province of nuclear weapons effects. By applying its technical staff and contractors to the electrothermal problem, DNA not only was able to

contribute to the development of long-range artillery technology, but also to preserve the technical base of its contractors and staff in nuclear weapons effects.

The committee, therefore, encourages DNA to continue efforts like the electrothermal gun. Questions have been raised about the need for high repeatability in shot-to-shot muzzle velocity. Provided that there are no safety issues, the committee doubts that fine consistency is relevant. At the ranges of interest to the Navy for fire support, which are in excess of 70 nautical miles, the dispersion of unguided rounds would be unacceptably large even if there were zero variance in the muzzle velocity. The point is that, at such ranges, guided projectiles are necessary, and guided projectiles render small variations in muzzle velocity irrelevant. The committee, therefore, directs that scarce funds not be used in unneeded demonstrations of repeatability in large caliber guns; rather, that the Navy-DNA collaboration have as its goal a large-scale demonstration of a large caliber, very long-range system using a guided projectile.

DNA, in agreement with the Navy, has been integrating technologies for improved artillery projectile aerodynamic shapes, composite materials for lighter weight, and projectile guidance. Such improvements are needed for increasing range without incurring unacceptable payload penalties. This work must be accomplished for an end-to-end technology demonstration of longer-range gunfire.

The committee also supports DNA efforts to develop microwave energy sources and to understand the effects of microwave radiation. The committee notes that the programs of the Services in this area rely chiefly on DNA energy sources. The committee views the collection of programs as very important, but has a number of management concerns. The committee directs the Director of Defense Research and Engineering (DDR&E) and the Assistant to the Secretary of Defense for Atomic Energy (ASDAE) to review access procedures within the DNA and Service programs to avoid duplication of effort and ensure integration of effort. The review should also ensure a rational distribution of funds between the programs and lead to the development of a single set of requirements for protection levels.

The committee recommends an increase of \$2.5 million to the budget request for the DNA microwave radiation program. These funds should be applied to energy source generation, and may be used to further assist the Army in developing specific applications of the technology.

Technical Support Working Group on counter-terrorism

The Technical Support Working Group (TSWG) is an interagency organization that sponsors the development of technology and equipment to counter terrorism. The TSWG manages research and development projects in areas such as explosive detection and disposal, personnel protection, and surveillance. In coordination with other interested agencies, the Departments of State and Defense manage and fund the work of the TSWG.

In fiscal year 1993, the Congress authorized and appropriated an additional \$3.0 million to the Defense Department so that the TSWG could pursue cooperative projects on counter-terrorism with foreign countries. Allies such as Israel, Great Britain, and Canada have had a great deal of valuable experience in fighting terrorism, and it makes sense for the United States to take advantage of the technologies and techniques they have developed.

The budget request contained \$6.3 million for the Defense Department contribution to the TSWG in fiscal year 1995. The committee recommends an additional \$3.0 million that would be available for existing and new international cooperative projects.

Medical research

The committee supports the decision made by the Department of Defense to carry out medical research relating to the service of women in the military in a decentralized fashion rather than through the establishment of a center at a single DOD medical facility. The committee supports the proposed tri-Service research program on women's health with the Army serving as the executive agency. The committee recommends a provision that would provide a statutory charter for the program and adds \$40.0 million to PE 63002D to continue the program in fiscal year 1995.

It is clear to the committee that the increasing participation of women in the military and the integration of women into combat and combat support roles have created new requirements for medical research. These requirements span the military services and are insufficiently addressed by the much larger medical research programs of the Department of Health and Human Services (HHS), which focus on the general health care needs of the American population. Requirements include research on combat stress and trauma, on exposure to toxins and environmental and occupational hazards associated with military service, and on patterns of illness in military servicewomen.

The key to the defense women's health program, as it is for the rest of the DOD medical research program, is to focus limited DOD resources on the specialized needs of servicemembers related to their military service and to leverage, not duplicate, the \$11.5 billion annual research program of the National Institutes of Health and the \$2.0 billion annual investment of the Centers for Disease Control and Prevention. Despite the size of those investments, there are significant areas, such as tropical diseases and combat trauma, in which HHS underinvests in relation to the needs of servicemembers, and the DOD medical program must fill the gap. The committee is especially concerned, for example, that DOD conduct adequate research into the possible mental and physical threats that women may face if they become prisoners of war.

Consistent with that strategy, the committee fully supports the DOD efforts to develop artificial blood and to find vaccines and treatments for diseases such as dysentery, malaria, dengue fever, anthrax, and the Gulf War syndrome. The committee recommends an additional \$2.0 million in PE 63002A for continued research into the nature and treatment of the Gulf War syndrome, and directs the Department of Defense to ensure that it fully coordinates its research with that conducted by the Department of Veteran's Affairs to avoid duplication and to share in the results of research.

Fuel cells

In 1993 the committee added funding to the National Defense Authorization Act for Fiscal Year 1994 for competitive research to develop fuel cells that could be of use to the military. In doing so, the committee required the Department of Defense to coordinate its research with the Department of Energy.

The committee notes that the coordination between these agencies has revealed that the Department of Defense has a unique but limited role to play in this research. The committee accordingly recommends that \$8.0 million of the funds in PE 63226E be utilized for fuel cell research in accordance with the cooperative plans of the two departments.

Peacekeeping technology

Throughout the 1994 hearing cycle, the committee received testimony from a variety of witnesses regarding the increased involvement of U.S. armed forces in non-traditional missions. Much of this testimony dealt with the issue of focusing the resources of the Defense Department on missions our armed forces are likely to face in the uncertain future that seems to lie ahead. Participation in peacekeeping and peace

enforcement operations clearly seems to be one of the missions that is likely to be a part of this uncertain future.

The committee is aware that the Department of Defense is already concentrating on this mission. On April 13, 1994, Assistant Secretary of Defense Dr. Edward L. Warner III testified to the committee:

Fourth, DOD is in the process of identifying unique equipment requirements for peace operations. While this assessment is still underway, the services have already identified certain equipment for modification. For instance, the Army has installed "belly plates" on APC's to counter the threat posed by anti-armor mines and has procured special gunshields to protect M-113 gunners when operating in an urban environment. Similarly, reactive armor has been installed on Bradley Fighting Vehicles in an effort to counter the threat from rocket propelled grenades. In addition, USSOCOM is developing a Kevlar blanket for the floors of HUMVEES, a 40mm NERF round for crowd control, and various other weapons based on non-lethal technologies. The Air Force has also made modifications to delivery systems and parachutes to ensure more accurate delivery of humanitarian relief supplies to besieged enclaves in Bosnia-Herzegovina.

The committee is also aware that the Advanced Research Projects Agency (ARPA) has begun a program to focus emerging technology on the needs of forces involved in non-traditional/military operations. The Department of Defense has recently signed a memorandum of agreement with the Department of Justice to transfer technology developed for this purpose to the civil sector for use in domestic law enforcement. Also, the Department of Defense has worked closely with the Department of Energy national laboratories. The committee applauds all these steps as needed movements in the correct direction.

In order to accelerate the ARPA program and to provide focus to the overall DOD effort, the committee recommends that \$20.0 million of the funds authorized for PE 63226E be used for this important program. The committee directs the Department to use these funds to continue its multi-agency research program on these important technologies.

Ocean research

Of the funds included in the budget request for the experimental evaluation of major innovative technology (PE 0603226E), the committee recommends \$5.0 million to study the concept of the deep ocean relocation of river and harbor bottom sediments, including environmental ramifications and technical and economic feasibility. As a first step in this process, the committee recommends that a database be assembled for hazardous materials that have been deposited, dumped, or lost in the world's oceans in significant quantities. This information should include studies assessing known environmental and other damage or effects the materials have had on the world's ocean systems, particularly those surrounding the Russian Federation. A process for monitoring unknown or suspected damage should be recommended where further monitoring and study could lead to increased understanding of the effects of hazardous materials on oceans and the marine environment.

Virtual brigade

The committee last year supported an innovative Army approach to using existing simulators and training facilities to train brigade-level organizations. This project is known as the "virtual brigade." This new concept for training an entire brigade emphasizes training using simulation technology. Currently a brigade trains largely on combat equipment in field exercises. This form of training, while effective, tends to be expensive, and is often constrained in scope because of limitations at training ranges and safety concerns.

The committee recommends \$16.8 million to continue the virtual brigade project. The committee continues to believe that the virtual brigade project holds significant promise as a testbed for training technology and training concepts. However, such a brigade should not become an experiment, but should be subject to the same requirements and challenges as a normal brigade in terms of readiness standards, fitness reports, and training rotations.

Advanced short take-off and vertical landing (ASTOVL) aircraft

The Defense Department's Advanced Research Projects Agency (ARPA) is developing an advanced short take-off, vertical landing (ASTOVL) aircraft. The committee continues to support the ARPA ASTOVL program. The committee is concerned, however, for two reasons: (1) coordination between ARPA and the joint advanced strike technology program (JASTP), and (2) continuation of the direct-lift technology efforts that the Congress funded last year.

The committee believes that the ASTOVL program could be a strong contender for funding among the JASTP efforts. The ASTOVL program has the potential for providing airframes, engines, and avionics that could be completely common among Navy, Marine Corps, and Air Force applications. The committee believes that the ASTOVL program is still appropriately managed by ARPA, at least until the completion of the current phase of the program. However, the committee would like the full assurance of the Department that ARPA and JASTP are completely coordinating their efforts to ensure a smooth transition if the technology shows the appropriate level of maturity in fiscal year 1996.

In the meantime, the committee believes that the investigation of direct lift technologies should continue. Last year, the committee noted that ARPA had chosen, because of tight fiscal constraints, to investigate only two competing technologies based on lift fans: shaft-driven fans and gas-driven fans. The committee understands that this has caused ARPA to stop investigating direct-lift STOVL concepts.

The committee still has no favorite STOVL concept. However, the committee believes that the importance of achieving advanced STOVL/conventional take-off and landing technology means that the Department should investigate all reasonable lift concepts early in the program. Accordingly, the committee recommends the addition of \$10.2 million to the ASTOVL project to continue critical technology validation of the ASTOVL direct-lift concept.

Rapid acquisition of manufactured parts (RAMP)

The committee understands that the budget request includes \$6.2 million in the DOD computer assisted logistics line (PE 603736D) for the rapid acquisition of manufactured parts (RAMP) program. An additional \$11.0 million will be provided from the Defense Business Operations Fund. The committee supports the Department's request and expects the RAMP program to be funded as requested.

Department of Defense/Department of Veterans' Affairs cooperative research

The committee continues to support cooperative medical research by the Departments of Defense and Veterans' Affairs. Both departments have much to offer and stand to gain from shared research.

The Veterans' Affairs Department has a long and distinguished record in brain and spinal cord injury research. The Department of Defense can leverage this research in a cooperative research program that will benefit both veterans and serving servicemembers.

The committee is aware that the Veterans' Affairs Department has begun a competitive, cost-shared program with civilian medical facilities to provide this program with the modern high technology facilities and equipment needed for future research by both the Department of Defense and the Department of Veterans' Affairs. The committee recommends \$20.0 million for this cost-shared program. The program will require a memorandum of agreement among the Department of Defense, the Department of Veterans' Affairs, and the medical facility selected to host the research. The committee directs the Department of Defense to submit a memorandum of agreement, signed by all parties, that outlines the obligations of the parties and the conditions for future cooperative research, to the Committees on Armed Services of the Senate and the House of Representatives, prior to the release of the funds authorized for this program.

Advanced lithography

The committee has strongly supported long-term research into advanced lithography. Until the early 1980s, AT&T's Bell Laboratories and IBM had sponsored much of the basic research in this field. But the break-up of AT&T and the termination of IBM's near monopoly in the computer industry led both firms to sharply cut back that support. Starting in 1987, the Advanced Research Projects Agency (ARPA) stepped up its support for basic research in advanced lithography to fill the vacuum left by AT&T and IBM.

However, the committee is aware that many people in both government and industry have been very frustrated that the advanced lithography program has been conducted at ARPA with the "help" of

Congressional earmarking of funds to specific technologies. This concern apparently led the Department of Defense to request only \$10.0 million in fiscal year 1995 for advanced lithography research.

Since February 1994, the semiconductor industry has made a concerted effort to outline its priorities for long-term research in advanced lithography. It has pointed out that SEMATECH and industry plan to invest over \$180.0 million annually on nearer-term 248 and 193 nanometer optical lithography needed within the next five to seven years for the fabrication of semiconductor devices. But aside from ARPA no one is funding longer-term research.

After considerable review, the committee recommends an increase in the authorization for advanced lithography research to \$35.0 million, an increase of \$25.0 million to project MT-10, PE 63739E. The committee opposes any Congressional earmarking of these funds to particular technologies.

Among the reasons the committee proposed the establishment of a Semiconductor Technology Council last year were the critical comments that the committee had received about the lithography program. It had hoped that establishment of the joint government-industry council, as required by section 263 of the National Defense Authorization Act for Fiscal Year 1994, would lead to better alignment of the federal investment in basic semiconductor research with the long-term needs of industry and that a council consensus would strongly discourage Congressional earmarking. Unfortunately, no appointments have yet been made to the council.

In order to prevent these issues from recurring in future years, the committee directs that the council be established immediately and that its first task be a thorough review of all federal investments in semiconductor research, with particular emphasis on advanced lithography and the \$75.0 million annual ARPA investment proposed by the semiconductor industry. The council shall include the results of the review in its annual report. The committee recommends a provision that would clarify that the Council's annual report is due to Congress by March 31 of each year.

Focus Hope

The committee is pleased that the Administration has been impressed enough with the progress of the Center for Advanced Technologies to again include funding for the project in its budget request. This project has emerged and been recognized as a model for educating workers to build, operate, repair, and improve the most technologically advanced flexible or agile manufacturing equipment in an actual production setting. The committee recognizes the value of this project as a proving ground for educating a workforce in the skills necessary to permit the full utilization of high technology computer-integrated, manufacturing equipment. It notes that realizing that full potential is essential for an industrial base that can be turned quickly from one manufacturing task (civilian) to another manufacturing task (defense) and back again.

The committee concurs with the budget request of \$15.0 million as budgeted in PE 63739E. It acknowledges that the Center has continued to enter into agreements with private industry for substantially increased production of automotive parts, with the prospect of additional contracts in the future. With the \$15.0 million requested for fiscal year 1995 and these production contracts, the Center's revenues from its production contracts will soon be adequate to finance the purchase of the next generation of flexible manufacturing equipment. The Center will then no longer need specific funds from the Advanced Research Projects Agency for these acquisitions.

Army National Guard/ARPA advanced simulation

The Army National Guard and the Advanced Research Projects Agency (ARPA) have agreed to pursue a joint program, called "Project Simitar", to develop and apply advanced technologies for training National Guard brigades. This training is even more critical as the Department implements the new military strategy relying on 15 enhanced readiness brigades. The committee continues to believe that advanced technologies offer tremendous potential for enhancing reserve component readiness and accelerating availability. The committee recommends an additional \$10.0 million to continue this program in fiscal year 1995.

Rocket motor demilitarization

The committee recommends \$4.5 million to continue the demonstration, testing, and evaluation of environmentally sound, contained demilitarization of excess military explosives, particularly high energetic

explosives, at the Nevada Test Site. President Clinton extended the moratorium on underground nuclear weapons testing through September 1995. The moratorium was continued in anticipation of achieving a comprehensive test ban treaty in 1996. Although the Nevada Test Site is being maintained in a state of readiness to support the resumption of nuclear weapons testing in six months, if necessary, there are no plans to resume nuclear weapons testing at the site. The site is a unique facility available for the demilitarization of excess explosive materials in an environmentally sound manner. Currently, the only method for disposal of high energetic materials is through open air burning and detonation. This is an unsound environmental practice that must stop. The committee directs the Secretary of Defense to work with the Secretary of Energy to establish an explosives demilitarization program at the Nevada Test Site.

Advanced sensor application program

The Under Secretary of Defense for Acquisition and Technology (USD(A&T)) convened a panel to review the management and content of the independent non-acoustic antisubmarine warfare (NAASW) program within the Office of the Assistant Secretary of Defense for Command, Control, Communications, and Intelligence (ASD(C3I)). While this group was conducting the review, funding for the program was withheld for most of the fiscal year.

The panel concluded that the program should continue and remain under the management of the ASD(C3I). However, it leveled a number of criticisms at program management and program content. After careful review of the panel's report, the committee takes issue with most of the conclusions and disputes the factual basis for many of the panel's assertions.

The committee believes that the independent program has achieved important results that were missed by the Navy and other agencies. In fact, recent results in one portion of the electromagnetic spectrum call into question the theory, models, and test results that have formed the basis for the Navy's consistently pessimistic conclusions about the potential of NAASW sensors. Important advances also have recently been achieved in other portions of the spectrum by the independent program as well as the Navy.

The Institute for Defense Analysis has completed a study that indicates that NAASW sensors, when employed in conjunction with traditional acoustic sensors, need not meet high performance levels in order to make an important contribution to ASW in shallow waters.

The committee supports the requested amount for the independent program and endorses the program plan established by the ASD(C3I), including foreign cooperative efforts. The committee notes that the review panel concluded that the independent program should be subjected to another review within the next year. The committee supports regular program reviews. However, the committee will not accept another funding freeze while the review is conducted, absent compelling evidence of some program difficulties.

Additional information is contained in the classified annex to this report.

Mobile offshore base and landing ship quay causeway programs

The committee understands that the Navy and the Joint Chiefs of Staff are re-evaluating their previous positions on the mobile offshore base and landing ship quay causeway programs. The committee also understands that the Department of Defense has identified funds in the Future Years Defense Program to continue their development.

The committee remains concerned about over the shore logistics operations and our ability to sustain operations in austere environments, or in locations where port operations could be disrupted by the use of weapons of mass destruction. The proliferation of ballistic missile technology, potentially coupled with chemical, biological, or nuclear warheads, adds an additional element of uncertainty to our contingency planning.

The committee believes that the Joint Requirements Oversight Council (JROC) should proceed immediately to determine whether there is a valid operational requirement to move forward with these

programs. The JROC evaluation should focus on whether these programs represent concepts for prepositioning military equipment and expediting the movement of arms and equipment from ship-to-shore that have military utility. The committee expects the JROC to produce a report of its evaluation no later than the end of 1994.

The committee requests the Under Secretary of Defense for Acquisition and Technology to submit both programs to the Defense Science Board for its review and provide the results of that review to the Congress prior to submission of the fiscal year 1996 budget request.

MASINT

The Senate Select Committee on Intelligence has recommended that the committee authorize an increase of \$5.0 million to the budget request for the measurements and signal intelligence program. The committee does not concur with this recommendation. The committee does not believe an increase in this program is justified until a complete review of all intelligence community sensor technologies is concluded. The committee directs the Department to comply with section 1605 of the National Defense Authorization Act for Fiscal Year 1994.

Information systems

INFORMATION SYSTEMS SECURITY

Over the last six months, unknown intruders have repeatedly gained entry into computers and computer networks at numerous, sensitive military installations. The intruders took control of computers that directly support deployed forces and research and development, installed capabilities to ensure they could reenter the computers at will, read and stole data files (including software under development for future weapons systems), and, in some cases, destroyed data files.

These intruders gained access through the Internet, which the President envisions as the basis for the information superhighway. These intrusions dramatize the grave risks involved in the expanding dependence of the Department of Defense, the federal government as a whole, and the entire nation on networked computers. Such networks control financial transactions, energy distribution, the public-switched telephone system, and the transportation sector, to name a few. Within the Department of Defense, such networks support the financial, logistics, procurement, personnel, and other functions critical to national security. With almost no security protections, the nation faces the prospect of potentially grievous assaults by even small groups with limited resources.

The committee's concern for the security of the defense and national information infrastructure is supported by the findings of the Joint Security Commission appointed by the Secretary of Defense and the Director of Central Intelligence. The Commission stated in its report of February 28, 1994, "Redefining Security", that it believed "... the security of information systems and networks to be the major security challenge of this decade and possibly the next century and believes that there is insufficient awareness of the grave risks we face in this arena."

To address this challenge, the Commission recommended an information systems security investment strategy with the goal of applying five to 10 percent of the costs of infrastructure development and operations to ensuring the availability, confidentiality, and integrity of information. Using this yardstick, DOD should be investing between \$500.0 million and \$1.0 billion annually to protect its information systems. In contrast, DOD plans to spend about \$19.0 million on information systems security in fiscal year 1995. The committee is prepared to accept that \$1.0 billion is too much, but it is certain that \$19.0 million is far too little. The committee is very reluctant to mandate a certain percentage allocation to security, but is prepared to apply a blunt instrument if the Department continues to ignore this problem. Even if the needed investment must come from existing budgets, and therefore at the expense of capabilities, the committee believes it must be done. After all, sacrificing some capability to achieve assured availability is better than having a fully capable information system that is completely vulnerable.

It is not enough, however, to protect just the DOD information infrastructure. Achieving the larger objective of protecting the federal and national information infrastructure will be more costly and take more

time. DOD, however, can contribute significantly to this goal by developing products, procedures, and training standards. Affordable, effective products and procedures would then be available for the private sector and the federal government.

The committee notes that the problem cannot be solved simply by money. As the Joint Security Commission observed, serious policy, organizational, and management problems must be overcome. The Commission recognized that dealing with these issues will require some centralized oversight and focus. The Commission suggested that the Defense Information Systems Agency (DISA) is the logical organization for this role. Indeed, DISA has already formed the Center for Information Systems Security, in conjunction with the National Security Agency (NSA). NSA is the logical organization to develop information systems security products for the Department of Defense, regardless of the classification of the information that is processed within the networks.

The committee is fully aware of the controversy surrounding the Administration's policy on encryption technology and exports. The committee recognizes the problems with this policy and with the specific proposed technical solution, known as the "Clipper Chip." The committee concludes that this policy should be supported by Congress, but urges the Administration to develop viable alternatives that are more acceptable to the private sector as soon as possible. The committee believes that the intelligence and law enforcement agencies and the private sector must over the long-term develop good working relations to achieve the twin goals of U.S. competitiveness and security.

MERGING DEFENSE AND CIVIL TELECOMMUNICATIONS

A related issue concerns DOD and General Services Administration (GSA) investigations of the potential for greater cooperation between the Defense Department's telecommunications program and FTS-2000. The committee encourages such investigations in the hope that savings and progress towards a unified national information system can be achieved. The committee also recognizes that U.S. military forces continue to require secure, robust, and resilient telecommunications for wartime command and control. To enable the Department to ensure that its unique requirements would be met, the committee supported the Warner amendment to the Brooks Act. The committee is concerned that DOD has not adequately addressed the effect of a merger on its requirements for information security, redundancy, and wartime surge.

Accordingly, the committee recommends a provision that would prohibit DOD from taking actions to merge Warner-exempt telecommunications activities with FTS-2000 until the Secretary of Defense certifies that DOD requirements can be met. The requirements in question include information security.

REPORT

The committee directs the Secretary of Defense to submit a report to the congressional defense committees by March 1, 1995, that includes a management and funding plan for securing the Defense Department's information infrastructure and plans for modernizing DOD telecommunications networks.

Additional guidance is contained in the classified annex to this report.

Endurance unmanned aerial vehicles

The committee is greatly concerned about unmanned aerial vehicle (UAV) proliferation. While the medium-range UAV has been terminated, many new long-endurance UAVs have been added. More yet are being proposed.

Last year, Congress approved two demonstration UAV programs: a medium-altitude UAV, referred to as Tier II, and a high-altitude endurance UAV, referred to as Tier II+. Each of these endurance UAV initiatives is cast as a demonstration designed to test technology, cost, and utility. Each demonstration is planned to be conducted within about two years. The difference between Tier II and Tier II+ is merely the degree of complexity, altitude, and area coverage. The statement of managers accompanying the conference report on the National Defense Authorization Act for Fiscal Year 1994 (H. Rept. 103-357) specifically limited the Tier II program to a scope of not more than 10 air vehicles and three ground stations.

The committee has since agreed to a Department of Defense request to reprogram prior-year funds to initiate another high-altitude endurance UAV demonstration, referred to as Tier III-. DOD has also requested that \$37.0 million in funds requested for the Advanced Research Projects Agency (ARPA) for evaluation of major experimental technology (\$32.0 million) and manufacturing technology (\$5.0 million) be transferred to the Defense Airborne Reconnaissance Office (DARO) program in fiscal year 1995. The committee

recommends an additional \$37.0 million for DARO RDT&E and a corresponding decrease to the ARPA programs.

The committee has agreed to these changes with reservations. All three of these programs have been approved as demonstrations of various endurance UAVs, intended to field small numbers of test vehicles to evaluate their utility, concept of operations, cost and performance. At this point, the Department has not requested an acquisition program per se. The Tier III- program is also just a demonstration program. It is, however, a much more ambitious effort attempting to achieve cost reductions from previous estimates for a platform of that type. The committee notes that the non-recurring cost to develop test articles of this platform would pay for the procurement of a large number of conventional endurance UAVs. The committee is not convinced that all of these programs are required to demonstrate the value of an endurance UAV capability.

The committee therefore reserves judgment on additional funding for Tier III-, until the House-Senate conference on this Act, in the expectation that additional information will be available on which to base a decision. The committee will not support this effort, or the Tier II+ program, without strict control of costs and requirements. The entire concept of fielding these systems rests on having large numbers of platforms and being able to afford losses of aircraft.

Furthermore, the committee believes that the baseline program, Tier II+, is clearly the more important of the two initiatives. The committee considers the Tier III- initiative to be only a complement to the Tier II+ program, because of its smaller payload and coverage capabilities.

The committee understands that the Joint Staff has been receiving requests from various combatant commands to procure many endurance UAVs for operational deployment. Evidently, some of the commands believe that essentially off-the-shelf UAVs with simple sensors will meet their requirements and are needed immediately. If the Secretary of Defense agrees with the commands, the committee sees no need for a series of expensive technology demonstrations for more sophisticated UAVs. The Department is already requesting to spend over \$500.0 million over the Future Years Defense Program in RDT&E on endurance UAVs. These funds could be used to procure many off-the-shelf UAVs.

The committee rejects any proposal to procure additional so-called Tier II medium altitude endurance UAVs beyond the 10-vehicle program agreed upon last year, unless (1) the Department decides that existing systems are good enough, and (2) that RDT&E on future systems can be deferred. If events warrant, the committee believes that the 10 Tier II vehicles should be made available for operations, much as the developmental joint surveillance and target attack radar system (JSTARS) was used in Operation Desert Storm. Moreover, the committee believes that many current assets could better perform the functions envisioned for additional near-term vehicles.

The committee stresses that one office for endurance UAV development and acquisition should serve the intelligence and operational requirements of the Director of Central Intelligence and the Secretary of Defense. This is consistent with the joint decision on the overall division of labor between the national foreign intelligence program and the Department of Defense.

SR-71 contingency

The committee is concerned about tensions on the Korean peninsula and seeks to ensure that adequate warning and surveillance capabilities are available in that theater. The committee is informed that the SR-71 surveillance aircraft could be brought into service on a contingency basis for as little as \$100.0 million. The committee would support this initiative if the costs are acceptable and if a viable contingency capability can be acquired.

The committee notes that the SR-71 was retired strictly for budgetary reasons. The aircraft would still be practically invulnerable and could provide substantial reconnaissance support. The committee notes that the National Aeronautics and Space Administration continues to operate several SR-71s, and that the costs of the program are very modest. The committee sees no reason, in principle, why the Department of Defense could not also operate the SR-71 in an austere manner that would provide a contingency capability at an affordable price.

The committee therefore recommends \$100.0 million for the SR-71 contingency, split equally between the national foreign intelligence program budget and the tactical intelligence and related activities aggregation. The committee directs the Defense Airborne Reconnaissance Office program manager to report to the congressional defense and intelligence committees prior to the House-Senate conference on this Act on his estimate of the costs and benefits of an SR-71 contingency capability.

Unified signals intelligence system

The committee continues to discover examples of failure to inform Department of Defense officials with a clear need-to-know of the unified signals intelligence (SIGINT) sensor development program. Furthermore, the committee was told last year that this program would be removed imminently from a restrictive security compartment, but this has not occurred. Accordingly, the committee directs that this program be de-compartmented as quickly as possible. The committee will monitor progress towards this end and may propose a legislative provision in the House-Senate conference on this Act if progress is not evident. While it supports the unified SIGINT sensor program, the committee is concerned about its escalating costs and expects the Department of Defense to get costs under control.

Marine Corps reconnaissance data link

The committee intends to cancel the Marine Corps advanced tactical airborne reconnaissance system (ATARS) program in 1995 unless the fiscal year 1996 budget request includes funding for a data link capability for the program. The committee understands that a large number of data links are available from the terminated Air Force ATARS program, but that the Marine Corps does not plan to use them because its proposed ground stations would not be designed to use the data link. The committee concludes that this Marine Corps proposal makes no sense. The Marines will need a data link to conduct surveillance before going ashore. Once ashore, other Services will require the capability to receive and process ATARS imagery. The Marines' proposed ground station also is so austere that additional processing and exploitation assistance will often be necessary. The Marines will not receive such assistance unless they have a data link and perhaps a relay capability.

Short- and close-range unmanned aerial vehicles

The Army has completed a cost and operational effectiveness analysis (COEA) of the close-range unmanned aerial vehicle (UAV) that indicates that a mix of close- and short-range UAVs is more cost-effective than an all short-range UAV force and that a smaller, cheaper UAV designed to meet brigade commanders' needs is the most effective and efficient way to meet the requirement.

The committee directs the Defense Airborne Reconnaissance Office (DARO) program manager to evaluate the Army's COEA and report the results of this examination to the congressional defense committees. The program manager's evaluation should also assess the merits of an alternative concept for support of Army brigades in which short-range UAVs operated at higher echelons would be used to support brigades. If the program manager agrees with the Army's COEA that a mix of close- and short-range UAVs is more cost-effective, the committee expects the program manager to explain why the Marine Corps' plan to procure only short-range UAVs makes sense.

Testbed aircraft

The committee continues to support acquisition of a testbed aircraft for testing and demonstrations of the unified signals intelligence (SIGINT) system and other airborne reconnaissance technologies. The committee is concerned that the defense airborne reconnaissance program (DARP) manager will not be able to assess and demonstrate progress in applying such technologies to multiple platforms without a testbed platform. The committee notes that Congress appropriated \$12.5 million for an RC-12 training aircraft for the Guardrail program for which the Army has no requirement. The General Accounting Office (GAO) has identified these funds for rescission, and points out that the Army has proposed reprogramming the funds. The committee directs that these funds be spent to acquire the services of a testbed aircraft for the DARP.

Multi-spectral imaging

The statement of managers accompanying the conference report on the National Defense Authorization Act for Fiscal Year 1994 (H. Rept. 103-357) expressed concern over Department of Defense plans to terminate ongoing multi-spectral imaging sensor development for reconnaissance aircraft. Since then, the Department has also terminated its participation in the Landsat remote sensing program, including the high-resolution multi-spectral sensor adjunct. The committee notes that multi-spectral imagery (MSI) provided important and, in some cases, unique mapping and surveillance support in Operation Desert Storm. The committee continues to believe that MSI could prove to be an extremely useful intelligence technology.

Despite its decision to terminate the ongoing MSI program for current reconnaissance aircraft, the Defense Airborne Reconnaissance Office (DARO) and the National Reconnaissance Office (NRO) continue to express interest and support for continued research and development on MSI technology. The committee believes that the two organizations should formally coordinate their studies and activities on MSI technology. The committee also believes that the Department must determine the value of MSI for military operations, counter-proliferation, counter-narcotics, technical intelligence, mapping and geodesy, and other national security missions. Such an assessment must be conducted in order to guide and justify research and development activities. The committee therefore directs the Under Secretary of Defense for Acquisition and Technology and the Director of Intelligence Community Affairs to undertake a joint assessment of MSI technology and report to the congressional defense and intelligence committees by May 1, 1995.

The committee also directs that \$10.0 million of unobligated funds authorized and appropriated for the terminated Landsat program be competitively awarded by the DARO program manager for continued research and development on MSI sensors for airborne reconnaissance.

The committee does not believe, however, that these funds would be wisely spent in continued development of exquisite stabilization for aircraft platforms to achieve wide-area imaging capability. The committee is aware that tremendous progress has been made in this area. Heroic as these accomplishments have been, it is doubtful whether they will ever be inexpensive or light enough to be proliferated in the large number of unmanned air vehicles that make up the core of the new airborne reconnaissance architecture. The committee is convinced that the U-2 aircraft remains a valuable and viable reconnaissance platform and is mindful of the need to invest in improvements to the U-2, including improved digital imaging capabilities. Investment decisions, however, should take account of other programs and relax requirements accordingly.

C3I intelligence program

The committee notes that PE0305190D contains \$16.0 million for a classified counterproliferation computer database system. The committee is concerned that computer database systems currently within the federal government for intelligence, nonproliferation, and export control requirements have not been adequately reviewed. The committee recommends that the intelligence and communications architecture (INCA) project office review existing computer database systems within the intelligence community to see if these systems are capable of being integrated and linked to each other. The committee also recommends that INCA include in its review existing computer database systems and software programs at the Service and DOE national weapons laboratories.

The committee believes that existing resources of the federal government and the national weapons laboratories should be leveraged prior to the development of new systems. Because of the synergies expected by executing the program this way, the committee denies the budget request for the classified counterproliferation computer database system. In the event INCA concludes that existing systems within the intelligence community cannot be integrated and linked together to provide this system, the committee will consider requests by the Department of Defense for funding during fiscal year 1995 or fiscal year 1996.

Chemical/biological defense program

The National Defense Authorization Act for Fiscal Year 1994 directed the Department of Defense to fund the chemical and biological defense program in separate DOD budget accounts for research and

development, procurement, operation and maintenance, and military construction. The chemical/biological defense program continues to be reflected in the separate military accounts and lacks joint emphasis on research, development, and acquisition; training; doctrine; and logistics requirements. The Department was also directed to provide a report to Congress on the Department's review of the program's management structure in order to improve coordination, oversight and effective management of the program. The Congress has not received the report required under title XVII. The committee directs the Department to comply with last year's legislation.

Additionally, the fiscal year 1995 budget request included \$20.416 million for procurement and \$52.895 million for research and development of the Army joint biological defense program. The Army program is a new start and duplicates the biological defense program, which was established last year. The National Defense Authorization Act for Fiscal Year 1994 authorized \$15.0 million for biological defense-advanced development for procurement and \$12.0 million for research and development. Further, the conferees directed DOD to conduct an operational test and evaluation of the program prior to further procurement of additional systems, and to keep the congressional defense committees informed of the program's progress. The committee has received no information on the progress of the program; in fact, the committee understands that no funds have been obligated.

The committee denies the fiscal year 1995 budget request for the Army's joint biological defense program. Instead, the committee recommends \$9.65 million for the biological defense program for advanced research on vaccines and therapeutics developed against validated biological warfare agents to provide effective medical defense; and \$3.0 million for procurement of point and area detection technologies for the biological defense program. The committee also recommends that the Department use resources and the technology base existing at the national weapons laboratories to field these systems.

Lastly, the committee has concerns that it has not yet received the report required by the National Institutes of Health Revitalization Act of 1993 that was due by December 1993 on the feasibility of the National Institutes of Health conducting all federal research, development, testing, and evaluation of functions relating to medical countermeasures against biowarfare agents. The committee directs the Secretary of Defense to submit this report to the committee by November 1, 1994.

Joint USDA/DOD research

The committee continues to support joint Agriculture Department/Defense Department research and development efforts conducted by the Army using funds authorized in PE 602720A. The committee expects the Director, Defense Research and Engineering to lead this important program. In particular, the committee strongly recommends research directed at the development of 1) advanced materials from renewable resources; 2) biodegradable starch-based biopolymers for food packaging; and 3) the application of agricultural biotechnology to remediation of soils contaminated with heavy metal and radionuclides.

Fire protection technology

The committee remains concerned that the Department of Defense has not sufficiently emphasized the development and acquisition of modern fire protection systems and equipment. The committee remains convinced that the Department of Defense should and can do more to protect our troops from the serious fires that so often are a part of military operations in peace and in war. The committee concludes that strong central leadership will be needed to promote fire protection and fire fighting technology, and urges the Department to provide that leadership.

Central test and evaluation investment program

The committee notes with concern that the central test and evaluation investment program continues to grow despite the continuing decline in the overall Department of Defense budget and in the need for systems tests. The number of new systems now under development in DOD is at an all-time post-World War II low and is projected to decline further in the years ahead. This decline in the number of new systems entering full-scale development has created an enormous overcapacity in the Department's test and evaluation infrastructure. This overcapacity can only be reduced through the consolidation of test and evaluation facilities. Unfortunately, the Department has only been able to take marginal steps in this direction.

Although the committee fully supports the modernization of the Department's test and evaluation facilities at a rate consistent with the advance of technology and the testing of new systems, the committee cannot understand the growth in this account when new systems testing is declining at an accelerating rate.

The committee is also aware that the National Defense Authorization Act for Fiscal Year 1994 funded procurement of the equipment required to establish a real-time data link between the air combat environment test & evaluation facility (ACETEF) and the real-time electromagnetic digitally controlled analyzer & processor (REDCAP) facility. By replacing "canned scenarios" with RED-BLUE man-in-the-loop interactions, this link would significantly enhance the validity of test results at both facilities.

The committee therefore recommends \$100.3 million for PE64940, a reduction of \$15.0 million from the requested amount. The committee further recommends that the Department use the funds authorized for this program to continue to establish the link between ACETEF and REDCAP.

LEGISLATIVE PROVISIONS

Strategic environmental research and development program

The committee recommends \$170.0 million for the strategic environmental research and development program (SERDP), a \$59.0 million increase over the amount requested in the budget, and \$10.0 million more than the funds provided in fiscal year 1994.

The SERDP is a research, development, and demonstration program designed to (1) identify assets and information from the military and the intelligence community that could apply to issues of concern to the global environment; (2) conduct research on environmental restoration, compliance, and pollution prevention issues of concern to the Department of Defense and of mutual concern to the Departments of Energy and Defense; and (3) identify defense technologies that have other potential environmental or energy conservation applications. The SERDP supports basic research, technology development, and applied research in each of these three areas.

BALANCED FUNDING

The committee believes that a balanced program is important to the long-term vitality of the program and urges the SERDP council to ensure that the global environmental and the defense technologies areas are adequately funded.

DIRECTOR

The committee is pleased with the progress the Department is making, particularly the selection of a full-time director for the SERDP. The committee notes, however, that DOD is taking a rather long time to place the selectee in his position as director. The committee directs the Secretary to complete the personnel process so that the selectee can assume the position of director as soon as possible.

SERDP SCIENTIFIC ADVISORY BOARD

The terms of some of the original SERDP scientific advisory board members are beginning to expire. As individuals are reappointed or newly appointed, the committee believes that it is appropriate to seek overlap with the membership of the Medea panel. This panel was established to provide expert environmental expertise to the intelligence community. Given the complementary goals of the two panels, overlap in the membership would increase the level of cooperation and understanding between the two bodies.

PROPOSAL SELECTION

The committee is also pleased that the SERDP council will be making greater use of requests for research proposals that will be more focused on the priority needs and requirements in each of the three SERDP areas. While this should not be the exclusive mechanism for obtaining research proposals, this method will help with the management and screening of proposals. In addition, as the SERDP council uses

this new mechanism for obtaining research proposals, the SERDP council should actively seek proposals that involve cost-sharing or other cooperative research. In adopting this mechanism, the committee encourages the SERDP council to continue to seek proposals that involve universities and industry and that can provide fresh concepts for new approaches to problems.

One problem in the proposal review and selection process has been brought to the committee's attention and should be addressed by the SERDP council. Several proposers have pointed out that it is very difficult to obtain full review and consideration of proposals that cut across more than one SERDP focus area or that have more than one application. The SERDP council should ensure that there is a mechanism to allow full and fair consideration of these cross-cutting proposals.

DEMONSTRATION OF SERDP TECHNOLOGIES

Some of the research proposals funded in the early phases of the SERDP program are almost ready for demonstration. The committee believes that these proposals should move on to the demonstration phase as soon as they are ready so that these technologies can be made available to the private sector as quickly as possible. The committee remains fully committed to the global environmental change projects previously approved for funding by the SERDP council and advisory board and urges that they be supported through phase II demonstration as well. Demonstration of these projects will allow a smooth and timely transition of these projects to the federal agency that will be the primary user of these new systems.

Tactical anti-satellite program

The committee expresses its concern over the Defense Department's failure to comply with statutory guidance on the kinetic energy anti-satellite (KE-ASAT) program.

The National Defense Authorization Act for Fiscal Year 1993 directed the Secretary of Defense to update the operation requirements document (ORD) on the KE-ASAT program, making program changes as necessary, and submit both the ORD and an accompanying report to the congressional defense committees by March 15, 1993. The report has not been provided.

The National Defense Authorization Act for Fiscal Year 1994 converted the KE-ASAT program to a tactical anti-satellite technologies program and authorized \$10.0 million to continue engineering development of the most critical anti-satellite technologies. The Defense Department was prohibited from spending the funds until it submitted the delinquent report and an accompanying certification by the Secretary that there is a requirement for an anti-satellite program. The Department has failed to comply with this direction.

The committee reiterates its deep concern over the increasing number of rogue and potentially hostile nations who are gaining access to satellites and space asset data of a militarily significant quality. Moreover, numerous nations are developing indigenous space launch capabilities that are virtually immune from export control. The committee shares the views of the Air Force Chief of Staff and Commander in Chief of the U.S. Space Command that counterspace systems are clearly and unequivocally required to deal with the evolving space threat. Control of space in the future will be every bit as important as control of the sea and air today.

Mindful of these considerations, the committee directs the Secretary to comply with last year's legislation.

Satellite communications

The National Defense Authorization Act for Fiscal Year 1991 directed the Secretary of Defense to terminate the Milstar communications satellite program or restructure it to reflect changing military requirements and reduced defense budgets. The committee concluded that the requirements for Milstar at that time placed excessive emphasis on survivability in a prolonged strategic nuclear war and insufficient emphasis on the needs of tactical, conventional military forces. In addition, the committee believed that the program was too expensive. The committee's position prevailed and forced the Department of Defense to fundamentally restructure the Milstar program.

This restructuring eliminated nuclear warfighting capabilities and other outdated capabilities, dramatically improved capabilities to support the tactical, conventional forces of the Army and Navy, reduced the constellation size from eight to six satellites, and reduced life-cycle costs by 25 percent. As a result, the Army and the Navy, and the combatant commands charged with responding to regional security threats, became strong supporters of the Milstar program.

Subsequently, former Secretary of Defense Cheney further reduced costs substantially by reducing the constellation size from six satellites to four. Secretary Cheney also approved requests to Congress for funds to begin to develop a smaller and cheaper satellite to perform the Milstar mission early in the next century. This satellite concept would have used miniature electronics and other advances not available when Milstar was first developed, and would have led to the development of a "common bus" for a variety of communications payloads. In the appropriations process, however, Congress denied these requests for several years, on the grounds that such efforts were premature given that the first Milstar satellite had not been launched.

The Bottom-Up Review (BUR) conducted by Secretary Aspin specifically reaffirmed the need for Milstar despite its cost. The BUR addressed the following specific issues: whether Milstar was affordable; whether an advanced satellite concept could be developed in time to eliminate the requirement for all or some of the planned Milstar satellites; and whether DOD could do without the capabilities Milstar would provide until the advanced system could be fielded. The BUR concluded that the technologies for replacing Milstar with a cheaper satellite were not mature enough to accelerate appreciably and that DOD tactical forces could not wait another 10 years for jam-resistant satellite communications. The BUR also concluded that the advanced satellite concept initiated by the previous Administration should be vigorously pursued and should replace Milstar by the middle of the next decade. This action resulted in additional cost savings in the Milstar program, so that Milstar now will cost less than half of its projected cost in fiscal year 1991. The committee believes that the BUR examined the right issues and the committee accepts the BUR findings.

However, the General Accounting Office (GAO) has asserted that the advanced extremely high frequency (EHF) satellite planned to replace the Milstar series can in fact be accelerated by at least several years at acceptable risk; therefore, DOD could forgo procurement of the last two Milstar II satellites. The committee directs the Secretary of Defense to assess the GAO findings and report to the congressional defense committees at the earliest possible date, but no later than December 15, 1994.

The committee is convinced that the jam-resistant digital communications provided by Milstar are very important to tactical, conventional forces and that no near-term alternative to Milstar could provide this capability. The committee is also convinced that Milstar would have been canceled abruptly if it had not been strongly supported by the Chairman of the Joint Chiefs of Staff, the Army, the Navy, and the combatant commands for the tactical capabilities it now provides.

The committee does believe, however, that the Milstar program management should be changed from the Air Force to the Navy. When Milstar ceased to be primarily a strategic nuclear system, and the strategic threat receded dramatically, the Air Force lost interest in the program because it provides little additional capability to deployed tactical air wings. The Air Force faces a very minimal jamming threat to its air bases located in the rear. In contrast, the Navy and the Army must operate in close proximity to enemy forces, and must have protected communications.

The Air Force has proposed termination of the Milstar program many times in recent years, over the objections of the other Services, the Office of the Secretary of Defense, and the combatant commands. When the Air Force wasn't trying to undermine the program, it was complaining about having to pay for the system by itself, without contributions from the other Services. The Air Force has taken this position even though it always argues that it should be the lead Service for all space programs. Indeed, most recently, the Air Force has proposed that it become the sole acquisition authority for space programs. The committee doubts that Air Force actions on the Milstar program will inspire confidence within the Department that the Air Force can be trusted with a monopoly on funding and managing space programs of common concern.

The committee recommends a provision that would require the Secretary of Defense to shift management of the Milstar program to the Navy over the next year. The provision also would require the Secretary to transfer all programmed outyear resources along with the program management responsibility.

The committee notes that replacements for the defense satellite communications system (DSCS) and the ultra-high frequency follow-on (UFO) satellite will have to be deployed around the same time as the advanced extremely high frequency (EHF) Milstar follow-on. The committee believes that DOD must seriously address the issue of consolidating these separate satellite systems and frequency bands on a common satellite, or at least a common bus, and manage them in an integrated fashion. The committee believes furthermore that DOD must seriously examine the military requirements that must be met by a dedicated military satellite and those that could be met by buying or leasing commercial satellites. DOD also must determine the long-haul communications for regional conflicts that must be carried by satellite and those that could be shifted to the emerging global fiber-optic cable network. Finally, DOD must determine the extent to which future military satellites will be dedicated to serving mobile, battlefield users within a theater.

DOD currently plans to develop an operational requirements document and an architecture for the advanced EHF system over the next several years. The committee believes that DOD should instead expand this effort to address the issues raised above. The committee directs the Assistant Secretary of Defense for Command, Control, Communications, and Intelligence to submit a report on this expanded study by March 1, 1996.

The fiscal year 1995 budget request included \$9.4 million to begin development of an improvement to the existing DSCS satellites. This improvement would at best be available for deployment on only the last few satellites in the DSCS III constellation, and would cost several hundred million dollars to acquire. The committee believes that the benefits of this initiative do not justify the cost and that there are other higher priority problems facing the Department of Defense. The committee therefore recommends no authorization for this program.

Space launch

The National Defense Authorization Act for Fiscal Year 1994 required the Secretary of Defense to provide to Congress a space launch modernization road map. The Secretary has provided a report to Congress on options, but plans to wait until fiscal year 1996 to submit a detailed modernization plan since the report was completed after submission of the fiscal year 1995 budget request. The committee believes that the report, as submitted, provides a sufficient basis for initiating action in fiscal year 1995.

The Secretary's report recommends that a division of labor should be established between DOD and the National Aeronautics and Space Administration (NASA). DOD should be assigned lead responsibility for expendable launch systems while NASA should take the lead in developing technology for reusable launch vehicles. Given the dismal history of joint DOD-NASA space programs, the committee firmly believes that funding and management responsibilities must be clearly demarcated. Accordingly, the committee recommends a provision that would transfer to NASA funds appropriated for fiscal year 1994 for single-stage rocket technology that remain unobligated or unexpended.

DOD believes that, given current budget limitations, the only realistic near-term modernization option is to improve and evolve existing launch systems. DOD believes that it would take at least \$5.0 billion to develop a new expendable launch system. The committee agrees that alternative approaches could result in lower costs, but understands that they would be riskier and would require unconventional acquisition strategies. The committee therefore endorses the product-improvement option, with the stipulation that novel alternatives continue to be explored in the technology base.

The Secretary's report also makes clear that DOD must reduce the variety of launch vehicles it operates in order to eliminate excess industrial capacity, achieve economies of scale, and improve reliability. The logical path to this goal is through the upcoming competition for additional medium launch vehicles. Selecting a single launch vehicle for both medium- and heavy-lift requirements also will make improvements more affordable. The committee supports this strategy, but only on the condition that the competition not be

restricted to current producers of medium- and heavy-lift vehicles and that innovative financing schemes are explored as part of the acquisition strategy.

With regard to heavy lift, DOD now plans to downsize the two remaining satellites that must be launched on the Titan IV within the next 10 years. By transferring these satellites to medium launch vehicles, the Air Force stands to save significant resources. After that, the National Reconnaissance Office (NRO) will be the sole user of the Titan IV. Currently, the Air Force manages and funds most of the costs of the Titan IV. The NRO asserts that it cannot reduce the size of the satellites that are launched by the Titan IV. If the Titan IV cannot be eliminated or replaced in a timely manner, the committee believes that the NRO, as the sole user, should assume responsibility for funding and managing the Titan IV. This action also would be consistent with the NRO's "cradle-to-grave" satellite management philosophy. The committee directs the Assistant Secretary of the Air Force for Space to prepare a transition plan for the Titan IV for submission to the congressional defense committees with the submission of the Fiscal Years 1996-2001 Future Years Defense Program.

The budget request included \$40.9 million to begin acquisition of additional Titan IV heavy-lift launch vehicles in fiscal year 1995. The DOD Inspector General and the Air Force now agree that this action is at least several years premature. The committee, therefore, recommends a reduction to the Titan IV procurement request of \$40.9 million.

The Secretary's report notes that technology base resources for expendable rocket systems are extremely limited and should be increased. The committee therefore recommends an additional \$10.0 million in PE 603302F for technology development and demonstration for fiscal year 1995, and expects DOD to increase that amount in the fiscal year 1996 budget request. The committee believes that this technology base program should not be managed by the same organization that will be charged with improving existing systems and components. The committee also believes that this program should be directed toward novel systems approaches and designs and directs that this initiative be applied to concepts for liquid and solid rocket systems that do not require complex, high-performance turbomachinery. The committee makes an exception for evaluation of Russian engine technology.

Limitation on dismantlement of ICBM missiles

The committee recommends a provision that would prohibit the use of any funds authorized for fiscal year 1995 to deactivate or dismantle the U.S. ICBM force below 500 deployed missiles, until 180 days after the results of the Secretary of Defense's Nuclear Posture Review have been communicated to Congress. By this restriction, the committee does not intend to establish a precedent that similar restrictions should be included in future authorization acts; rather, this provision is intended to permit Congress to examine and respond to the recommendations of the Nuclear Posture Review, which is due to be completed in the summer or fall of 1994.

The committee concludes that the requested research, development, test and evaluation funds for ICBM modernization should be approved in full, pending publication of the results of the Nuclear Posture Review. The committee, however, would like to clarify that its actions do not constitute a commitment to the full ICBM modernization program, which is expected to require approximately \$6.0 billion over the next 8 to 10 years, in order to preserve 500 single-warhead Minuteman III missiles in the nuclear force posture until about the year 2020. The committee reserves judgment on this issue. If the future of ICBMs is not well-assured and justified, the committee believes that a cost-minimizing, "wasting asset" strategy toward ICBMs would have to be carefully considered as an alternative to the current modernization plans.

Seismic monitoring research

After an extensive interagency review, a Presidential Directive was issued in 1993 formulating a coordinated plan for all U.S. investments in enhancing the seismic monitoring methods for monitoring a Comprehensive Test Ban Treaty. Prior to the President's directive, there had been various appropriations to academic groups to develop and operate seismic networks that were important during the initial stages of the reopening of the former Soviet Union. These networks have now been altogether eclipsed by the government regional arrays and the International Data Center; moreover, universities have access to essentially all the data collected by the government arrays. Further investment in private arrays should be coordinated with the

President's plan; accordingly, the committee recommends a provision that would prohibit obligation of any funds for seismic monitoring projects that have not been included in the yearly updates of the plan.

Federally funded research and development centers

The committee is pleased that the Department of Defense has begun to implement the management reforms which the Congress has demanded for DOD federally funded research and development centers (FFRDCs) in recent years. The committee is also pleased that the individual FFRDCs are being managed to ceilings that collectively are less than the total ceiling imposed by the Congress for fiscal year 1994. The committee is aware that these individual ceilings were established by the Defense Department in accord with the general instructions provided by Congress for fiscal year 1994.

During the past year, the committee has become aware of two serious issues regarding the Defense Department's management of its FFRDC program. The first issue is the compensation of FFRDC employees, especially senior management. During the congressional review cycle last year, the committee proposed freezing the salary of FFRDC employees. This proposal was not enacted into law based on assurances from the Defense Department and from several top managers of individual FFRDCs that such a freeze would damage the FFRDCs and the Defense Department. Later in the year, the committee became aware of serious allegations that some FFRDCs had granted substantial raises to top management personnel while laying off lower ranking workers.

The second issue is the role of FFRDC derivative organizations in allowing FFRDCs to circumvent management ceilings and restrictions contained in sponsoring agency mission statements. Because contract awards to FFRDCs are excepted from the requirement for full and open competition, the creation of such entities, both as affiliated FFRDCs and non-FFRDCs, has resulted in an ambiguous legal, regulatory, organizational, and financial situation. For example, there have been allegations that government users granted inappropriate award preferences because they did not realize that a non-FFRDC affiliate of an FFRDC was not covered under the agency sponsorship agreement with the FFRDC.

In order to gain a better understanding of these two issues, the committee directs the Defense Department to provide a report identifying all FFRDCs and all affiliated entities, both FFRDCs and non-FFRDCs. The report shall include a discussion of the relationship between the statements of work of the original FFRDCs as well as those of their affiliated entities. The report shall also identify all sponsors and customers, the value of contracts with each, and approved and actual staffing levels for those entities over which the federal government has some cognizance. Finally, the report shall also include an analysis of the levels of compensation for FFRDC employees compared to their counterparts in similar for-profit companies. The portion of the report addressing FFRDCs and affiliated entities should be compiled from data from the organization's most recent fiscal year. The report should be submitted to the committee not later than April 1, 1995.

Based on the continuing decline in the Department of Defense budget for research and development and the fact that many FFRDCs will not reach funding ceilings in fiscal year 1994, the committee directs the Department to limit its funding for FFRDCs in fiscal year 1995 to \$1.3 billion, a reduction of just under 4 percent. The committee again directs the Department to ensure adequate funding for the smaller FFRDCs that provide studies and analysis support to the Department.

Ballistic missile defenses

In the statement of managers accompanying the conference report (H. Rept. 103-357) on the National Defense Authorization Act for Fiscal Year 1994, the conferees endorsed the major focus of the Ballistic Missile Defense Organization (BMDO) on the near-term deployment of effective theater missile defense (TMD) systems. The conferees further noted that their support for the proposed national missile defense (NMD) program would rest on a clear demonstration that that program would reduce the lead-time for deployment of a limited NMD system in the event a missile threat to the United States were to emerge. The conferees further noted that their funding reduction from the BMD request to a level below the long-term average recommended in the Bottom-Up Review (BUR) was in part based on their judgment that BMDO and the Department of Defense had not made the case for the proposed thrust and funding of the full ballistic missile defense (BMD) program.

The committee believes BMDO has worked hard to restructure and reorient parts of the program in response to the detailed guidance provided last year. The committee, in particular, congratulates the Administration and BMDO for the well-structured TMD program that has emerged. The committee's major concerns this year pertain to the NMD program, to the overall efficiency with which requested funds would be applied, and to further narrowing the BMDO focus to the engineering aspects of soon-to-be-deployed systems. In effect, BMDO must complete the transition from the "star-wars" era of the 1980s and early 1990s, with its focus on technology exploration and development, to an organization that is largely focused on systems engineering to speed deployment of badly-needed defenses. While some of those transition efforts have begun, more is needed.

In overview, the committee recommends reducing the request of \$3253.2 million for BMDO (excluding military construction) by transferring \$120.0 million for the Brilliant Eyes program to the Air Force and \$50.0 million to maintain a national technology base program for high-energy laser research outside BMDO, and by recommending additional specific reductions of \$326.0 million and additional specific increases of \$75.0 million, for a net authorization of \$2,832.2 million for fiscal year 1995. The committee recommends full funding of the procurement request, and recommends \$2,558.8 million for research, development, testing, and evaluation (RDT&E).

The committee addresses specific funding and programmatic guidance for BMDO under the following subsections:

- Theater missile defenses
- National missile defenses
- Follow-on technologies
- Management support
- Compliance of THAAD flight testing during fiscal year 1995
- Compliance reviews
- Revisions to the Missile Defense Act
- Limitation on obligation of BMDO funds

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THEATER MISSILE DEFENSES

The committee commends BMDO for its restructuring and consolidation of TMD programs, and endorses the priority shown in the funding request for near-term TMD systems. The committee also endorses the Department's selection of the ERINT missile as the Patriot PAC-3 interceptor. The committee takes note, however, of the comments by review panels that the ERINT program is not without technical risk. Therefore, in view of the importance of early deployment of improved TBM capabilities, the committee concludes that at the same time ERINT is entering the engineering and manufacturing development (EMD) phase, continued research and development on the multi-mode missile is a wise hedge against the possibility of technical problems with ERINT early in its EMD phase. The committee understands that some \$58.5 million is already available within the total PAC-3 request for risk-mitigation efforts, the bulk of which, DOD has informally indicated, is to be allocated to the multi-mode missile program.

The committee notes BMDO testimony that, after funding the NMD, follow-on technologies, and near-term TMD programs as recommended in the BUR, the remaining TMD funding would be adequate to allow only one of three follow-on TMD systems to enter EMD in about 1998. In effect, BMDO claims the overall funding level approved by the Administration-\$17.6 billion over five years-will force the Congress to choose

one candidate from among Navy upper tier, CORPS SAM, and some candidate boost-phase intercept (BPI) programs. The committee believes a strong case could be made for pursuing EMD on all three systems, should the development of technologies be accomplished successfully.

In the following, the committee proposes a different solution to the BMDO "Hobson's choice": the committee intends to vigorously scrutinize and, where possible, reduce BMDO "overhead" functions, in order to devote more of the \$17.6 billion in the Future Years Defense Program (FYDP) to specific defense programs like the three follow-on TMD candidates, as well as to a reinvigorated NMD program. The committee expects BMDO to facilitate the development and deployment of defenses against ballistic missiles, to provide "value added" to the process. BMDO overhead cannot and will not be allowed to become a burden, a "tax," on timely development and deployment of effective missile defenses.

For the past several years, the congressional defense committees have repeatedly tried to develop a system for funding, reporting on, and providing oversight over ballistic missile defense programs that would both provide the BMDO adequate flexibility to pursue promising avenues of research and provide appropriate oversight to the congressional defense committees. The results of this process continue to be disappointing. The current budgetary submission contains 13 separate line-items; four are labeled "Ballistic Missile Defense Technology," four others are labeled "Theater Missile Defenses," and the only NMD-related line-item requests no funding for fiscal year 1995.

As the Congress has reduced the portion of BMDO budgets devoted to exploratory research on a wide range of promising technologies, and increased the funding for development of well-defined programs, particularly in the TMD arena, it is now time for the congressional defense committees to authorize and appropriate funds for specific TMD programs and activities, much as they do for other major defense programs.

Therefore, the committee recommends the following specific amounts for the near-term TMD programs under BMDO purview:

- For Patriot PAC-3, including risk-mitigation funds, \$600.0 million;
- For THAAD, \$495.7 million;
- For the Navy lower-tier program, \$194.0 million;
- For the ground based radar-tactical (GBR-T) program, \$173.2 million;
- For the Hawk system upgrades, \$30.6 million; and
- For battle management, command, control, communications, and intelligence for TMD systems, \$34.1 million.

The committee also recommends the following allocations for support of additional TMD programs:

- For follow-on TMD programs, including Navy upper tier, CORPS SAM, and BMDO BPI programs, \$96.6 million; and
- For a risk mitigation fund to accelerate development and deployment of TMD systems, \$75.0 million.

BMDO and the Department of Defense Comptroller are directed to use these specific line-items in budget submissions and reports to the Congress as of October 1, 1994.

Funds contained in the risk mitigation fund may be used to increase funding for Patriot PAC-3 capabilities, including additional risk-mitigation activities, and for the acceleration of any or all of the follow-on TMD programs, at the discretion of the Secretary of Defense. Not less than 30 days prior to the obligation of any part of the risk mitigation fund, the Secretary shall inform the congressional defense

committees of his proposed allocation of funds among the designated programs, including such funds as he may choose to reserve for subsequent obligation.

The committee has closely followed the selection of one of the two candidates-ERINT and multi-mode missile-for the PAC-3 system. We are pleased that the Department has finally completed the Defense Acquisition Board process and is moving to develop ERINT, the selected missile.

However, the committee recognizes that the multi-mode missile has substantial potential against various threats, especially cruise missiles and electronic countermeasures, that are worth developing in the context of the planned risk mitigation program. While the full scope of this program has not been finalized, the committee recommends that it include sufficient flight tests to validate these needed capabilities.

NATIONAL MISSILE DEFENSES

The committee continues to be troubled by the apparent inconsistencies in the Department's proposed NMD Technology Readiness proposal. In broad outline, it proposes to allocate \$3.0 billion over the next five years to this activity, including more than \$500 million for the development and deployment of prototype Brilliant Eyes (BE) satellites. No flight-test demonstrations of radar, interceptor technology, or kill vehicle technology are envisioned. This leads the committee to question the value of early-deployed BE satellites to the NMD program, when, according to the BUR description of the option selected, by the end of the decade, ". . . it would take 10 to 15 years to deploy an operationally effective system . . .". Thus, the committee does not believe the "Technology Readiness" program will serve to provide an adequate hedge against the possible emergence of a threat. CIA Director James Woolsey has testified that such a threat could arise on a timetable of eight to 15 years; yet the proposed program would leave us still 10 to 15 years away from effective defenses at the end of this decade. In addition, the threat could arise more rapidly than the intelligence community now projects.

BMDO and some contractors have suggested that BE could enhance the effectiveness of most TMD systems; however, no TMD funds are allocated to BE, and the TMD user community has not shown strong interest in BE availability. Moreover, for the wider-area TMD systems, where BE arguably provides the greatest benefit, use of BE data may compound compliance problems. (For example, the committee is aware of contractor briefings purporting to show that Navy vessels with the upper tier capability plus BE tracking data could provide a thin defense of most of the continental United States from East Coast and West Coast ports.)

Last year, the committee posed a number of questions regarding the Department's missile warning and tracking programs. The committee is not fully satisfied with the Department's response to the issues it raised. Accordingly, elsewhere in this report, the committee provides additional guidance regarding these matters. As one element of that guidance, the requested funding for BE of \$120.0 million is transferred to the Air Force, which shall also retain program management authority for fiscal year 1995.

The committee reluctantly accepts the lower priority placed on the NMD program, but does not accept the BMDO proposed "Technology Readiness" program or timetable. Given the limited resources allocated to NMD under the BUR, and the uncertain timing of a future threat, the committee believes BMDO should continue the development and testing of more mature demonstration technologies such as ERIS and LEAP, rather than focusing on further miniaturization of interceptors and kill vehicles. Since the scope of any contingency deployment is likely to be tens, rather than hundreds or thousands, of interceptors, continuing development of existing technologies seems a better strategy for a fiscally-constrained environment. The objective for such an effort should be to develop and test, as rapidly as available NMD funding will permit, a limited, "UOES-type" capability using existing flight-qualified hardware, even though such hardware may not incorporate the latest "state-of-the-art" technology.

The ERIS booster and LEAP kill vehicle both have demonstrated substantial flyout and engagement ranges. Thus, one early focus for an NMD program would be to provide adequate tracking data. Adequate tracking of hostile reentry vehicles might be accomplished by any of several means-BE satellites, if deployed; upgraded BMEWS and PAVE PAWS radars; GSTS-type probes; or a self-contained optical

tracking stage carried aboard an ERIS-type interceptor. The development of a fixed, land-based NMD radar should be matched to technical progress on the TMD ground-based radar.

The budget request for NMD activities was \$587.0 million; the transfer of BE to the Air Force reduces this level to \$467.0 million. The committee directs the Secretary of Defense to conduct a detailed review of the concept of building upon ERIS- and LEAP-type hardware to provide early flight-testing and an early availability of a "UOES-type" NMD capability, within a budgetary range of \$400-\$500 million per year. The Secretary shall provide to the congressional defense committees not later than March 1, 1995, a report on the results of his review, including comparisons of its cost and timetable with the Technology Readiness program proposed by BMDO.

Because of the need to develop a revised NMD program direction and milestones oriented toward early demonstration of a UOES capability, the committee recommends reducing the request by an additional \$67.0 million. The committee expects the Department to request funding consistent with the BUR projections for the NMD program for fiscal year 1996, and to reflect a robust NMD program in the next Future Years Defense Program.

FOLLOW-ON TECHNOLOGIES

BMDO funds and oversees numerous important high-technology programs within the follow-on technologies program element; some, such as high-energy laser research, are unique within the Department of Defense. However, the cost of follow-on technologies, in terms of program management and other BMDO resources, is high, and some of these programs tend to be "lightning-rods" for opponents of robust ballistic missile defenses. For this reason, for the past two years, the committee and the Congress have been urging the Secretary of Defense to transfer from BMDO to other agencies those research activities on technologies that may prove to be relevant to advanced missile defense concepts, but that have no prospect of reaching engineering and manufacturing development within the next decade or two. The Secretary, however, has transferred only a handful of projects; \$409.0 million is still requested for this program area.

Transfer of these programs to other agencies requires two actions by the Department. One, involving transferring program responsibilities and funding, is easily accomplished. The other, insuring that the recipient agency protects the program and adequately funds it, is harder, and requires firm OSD oversight. Nonetheless, as BMDO moves inevitably toward an engineering development and deployment agency, its efforts need to be focused increasingly on those critical BMD tasks. The committee again strongly urges the Secretary to continue the transfer of far-term follow-on BMD technologies from BMDO to other Services and agencies, and to ensure that they continue to receive high priority once transferred.

The committee notes that the statement of managers accompanying the conference report on the National Defense Authorization Act for Fiscal Year 1994 (H. Rept. 103-357) required the Department to develop a coherent management plan for high-energy laser research programs. That plan has not yet been provided to the committee. The committee, nonetheless, believes a focal point outside BMDO should be established to develop a national technology base in high-energy laser research and development to meet a broad spectrum of possible military missions, not just ballistic missile defenses. Accordingly, the committee recommends the transfer of \$50.0 million to a new high-energy laser research line-item. The Secretary of Defense shall assign management responsibility for these funds to an appropriate military Service or defense agency other than BMDO. The committee encourages consolidation of this high-energy laser program with other programs, should the Secretary's ongoing review so recommend.

The request for follow-on technologies was \$409.0 million; in addition to the transfer of \$50.0 million for high-energy laser research, the committee recommends a reduction of \$89.0 million to the request.

MANAGEMENT AND SUPPORT

Of the \$3,253.2 million request for BMD procurement and research, development, testing, and evaluation, the committee notes that \$587.0 million was requested for NMD, \$409.0 million for follow-on technologies, and \$1,624.1 million for specific, mainstream TMD programs. The balance, totalling \$633.1 million, or just under 20 percent of the requested funds, represents the request for other programs and activities, including: BMDO program management; funds for studies and analyses; systems engineering and technical assistance (SETA) support; set-asides for small business innovative research and innovative

science and technology; and a host of generic support activities such as test and evaluation activities and lethality studies.

Notwithstanding the important nature of many of these activities, the committee concludes that too much of the BMDO funding request is proposed to be spent on this category, to the detriment of more robust efforts on high-priority TMD and NMD activities. The committee notes that BMDO is requesting \$215.2 million in management support, virtually the same amount as was appropriated for fiscal year 1993 for an SDI program funded at a half-billion-dollar higher level and containing a far more diverse set of activities than in the current BMDO request. The committee, accordingly, recommends a reduction of \$70.0 million in management support.

The committee recognizes that test and evaluation and other supporting activities are necessary ancillary activities, and agrees with the BMDO Director that test and evaluation activities should be centrally directed, to avoid the appearance that specific program managers have "self-test" authority. However, the committee believes that much of the test and evaluation activity required by specific programs can be identified well in advance of need, and can be added to funding for those discrete programs, while perhaps maintaining a small contingency reserve. This would serve to reflect more of the true cost of specific programs, and reduce the appearance to outsiders that too much money is allocated to "overhead;" the committee is confident that the BMDO Director can retain control over the commitment of test and evaluation funds within specific programs. The committee recommends a further reduction of \$100.0 million to the remainder of the supporting programs and activities. The committee further directs that, in the fiscal year 1996 budget request, BMDO include identifiable costs for test and evaluation activities for specific TMD and NMD programs and systems.

COMPLIANCE OF THAAD FLIGHT TESTING DURING FISCAL YEAR 1995

The committee applauds the Administration's efforts to seek among the successor states to the former Soviet Union an agreed clarification of permissible limits to the capabilities of theater missile defense (TMD) systems. The committee notes that, at those negotiations, all parties appear prepared in principle to accept a definition of permissible limits that would unambiguously define the U.S. theater high altitude area defense (THAAD) system as a TMD system. The committee also notes testimony that, absent such relief, the flight testing of the THAAD interceptor missile, now scheduled to begin in November 1994, could raise ABM Treaty compliance issues. The committee is concerned that failure to reach a successful agreement at the ongoing negotiations prior to November 1994 could lead the Administration to delay the initial flight testing of the THAAD system, the timely development and deployment of which the Congress has repeatedly supported. Based on U.S. computer simulations, the Administration has determined that the THAAD system could possess a "significant" intercept probability against some strategic reentry vehicles, but only after the full UOES system is in place, including battle management software to receive cueing information from external sensor sources.

The committee is aware of the following facts regarding the planned THAAD test program:

- (1) The first two THAAD interceptor flight tests will not involve a target reentry vehicle (RV).
- (2) For the first six flight tests, the THAAD interceptor will be controlled only by an existing radar at White Sands.
- (3) For the next four flights, encompassing the full fiscal year 1995 test plan, the THAAD interceptor will be controlled by a demonstration/validation (dem/val) radar system; a prototype (UOES) radar will only be incorporated into the THAAD system thereafter.
- (4) U.S. computer simulations of the capability of each of the above THAAD system configurations show no capability to intercept strategic RVs.
- (5) The maximum velocity of the THAAD interceptor missile is less than that of the deployed Russian SA-12 system, which the Administration appears to have accepted as a TMD system.

Finally, even if the fully-developed, deployed THAAD system achieves all planned performance specifications, the U.S. computer simulations indicate that the defended-area footprint against a strategic RV for the THAAD system will not include the THAAD battery itself; that is, the fully-developed THAAD system will have no self-defense capability against any strategic RV.

The committee understands that a specific review of the compliance of the THAAD dem/val program will be undertaken later this year. The committee strongly reiterates its views as expressed in section 234(a)

of the National Defense Authorization Act for Fiscal Year 1994. The committee urges the Administration to adopt reasonable standards for the THAAD dem/val compliance review process, to include comparability of the standards the United States intends to apply to assessments of the compliance of both US and Russian missile defense systems. For example, the committee will find it difficult to accept a position that the initial flight test of an interceptor missile, which does not involve any physical target vehicle, can be found to be a "noncompliant" event. The committee would also question the operational military significance of a "defensive system" which is incapable of defending itself from attack.

If the THAAD dem/val compliance review does not determine that the planned dem/val program is fully compliant as proposed, and if the ongoing negotiations are not completed prior to November 1, 1994, the committee directs the Secretary of Defense to provide to the congressional defense committees not later than November 15, 1994, a report on the effects of additional delay on the planned THAAD test program. The report shall set forth for each quarter of fiscal year 1995 his assessment of the changes to the planned flight test schedule necessitated by the delay in completing the negotiations, together with his estimates of the delay in fielding both the UOES capability and the initial operational capability of the THAAD system, and the added cost to the THAAD program of such delay.

COMPLIANCE REVIEWS OF BALLISTIC MISSILE DEFENSE SYSTEMS

Last year, the committee required the Administration to provide preliminary reviews of the compliance with the ABM Treaty of all near-term, well-defined theater missile defense (TMD) systems, in addition to the proposed Brilliant Eyes (BE) space-based sensor system. The committee has carefully reviewed the compliance reports and commends the Administration for the timeliness and usefulness of all but one of these reports. The committee finds the compliance report on the BE sensor system unacceptable, as it fails to deal with the set of questions posed in section 234 of the National Defense Authorization Act for Fiscal Year 1994. The report submitted by the Administration on the BE sensor system failed to address the question of whether BE, as planned, would be compliant with, or could be made to be compliant with, either an ABM Treaty-compliant national missile defense (NMD) system, or an ABM Treaty-compliant TMD system, and whether its status as a legally-deployed component of an ABM Treaty-compliant TMD system would be jeopardized if the United States subsequently undertook to develop and deploy an NMD system that also used BE tracking data.

There appears to be no compliance issue with the use of space-based optical data, such as is provided today by defense support program satellites, nor have objections been raised to proposed follow-on systems (FEWS and ALARM). In the Missile Defense Act of 1991, the Congress declared the proposed ground-launched surveillance and tracking system (GSTS) compliant. The BE system appears to be analogous to these systems, relying on telescopic viewing of optical phenomena. Thus, it would appear that, if data from Brilliant Eyes satellites were transmitted, processed, and disseminated in similar fashion to data from existing optical systems, a determination of compliance should be straightforward.

The report submitted by the Administration avoided these (admittedly complex) questions, arguing instead that the first "two or three" developmental BE satellites would be so lacking in capability as to raise no compliance issue, and declining to formulate an opinion regarding a more robust constellation. The committee cannot accept this answer as a basis for continued substantial funding of the BE program. The Administration is already embarked on negotiations with Russia and many of the successor states to the former Soviet Union to clarify the boundaries on compliant TMD systems. The Congress has been urging the Administration since the passage of the Missile Defense Act of 1991 to undertake similar negotiations-if necessary-to clarify the permitted uses of space-based sensors. Thus, the committee has no choice other than to insist that the Administration determine whether a BE satellite constellation would be fully, partially, or not at all compliant with the current interpretation of the ABM Treaty if used in conjunction with a TMD system, an NMD system, and both systems. To encourage prompt reporting, the committee further limits the obligation of funds for BE to not more than \$50.0 million until the required compliance report is submitted.

Finally, the committee notes that, in its compliance review provision in the National Defense Authorization Act for Fiscal Year 1994, it did not require a compliance review for the Navy upper tier program, on the grounds that it was not sufficiently well-defined. However, the Bottom-Up Review included this program in its designation of "core" TMD programs, and efforts may be made to increase Navy upper tier funding beyond the request of \$17.7 million. Thus, the committee recommends a provision that would require a compliance review of the Navy upper tier program if the appropriated amount for this program exceeds the

request, and that would limit the obligation of funds to \$17.7 million until the required compliance review has been delivered to the congressional defense committees.

REVISIONS TO THE MISSILE DEFENSE ACT OF 1991

The committee recommends a provision that would make several non-substantive changes to the Missile Defense Act of 1991. The provision would delete three provisions pertaining to fiscal year 1992 funding and to the naming and description of several BMDO line-items. The Congress funds BMDO programs annually, and the titles and programmatic content of BMDO line-items have also been changed annually. The provision would also extend the current requirement in section 238 of the Missile Defense Act of 1991 for interim reports from the President on the progress of negotiations with Russia and the successor states to the former Soviet Union on changes or clarifications to the ABM Treaty.

LIMITATION ON OBLIGATION OF BMDO FUNDS

The committee notes that the theater missile defense master plan required by section 235 of the National Defense Authorization Act for Fiscal Year 1994 has not been delivered as required. The committee, therefore, recommends a provision that would prohibit the obligation of any fiscal year 1995 BMDO funds until the required report has been provided to the congressional defense committees.

Technology reinvestment program

The committee is pleased that the Department of Defense has proposed a robust funding level for the technology reinvestment program (TRP). The budget request for this important program has finally reached the levels provided by the Congress in recent years.

The committee is also pleased that all contracts and grants awarded under this program have been made on the basis of cost-sharing and competition. The committee cannot stress too much the importance of these criteria to the continued support of this program by the Congress. Only the rigors of free and open competition and the requirement for industry to match federal funding with non-federal funds can eliminate the kind of costly, flawed, and wasteful projects that gravitate to such programs when awards are made on the basis of congressional earmarking and all costs are paid by the federal government.

Fiscal year 1995 marks the beginning of the TRP program's third year. As this third year begins, the committee hopes that the "lessons learned" from the first two years can be brought to bear to improve the program. At the same time, the committee is concerned that the program be protected from those that would use it as a source of funds for the latest fashionable idea from an interest group that cannot secure funding through the normal budget process. With this in mind, the committee was initially very skeptical when the Administration announced "Focus Areas" within the TRP. In the past, this term has been used as a not so subtle euphemism for earmarks for technical projects of dubious value. After greater examination, however, the committee has been persuaded that the Advanced Research Projects Agency has justified the use of the specific focus areas and will be able to use this approach to communicate its needs to industry.

The committee is also concerned about the relationship between the TRP and the industrial analysis required by section 2505 of title 10, United States Code. It is difficult for the committee to understand how the Department can plan for dual-use research without the analysis required by section 2505. Lack of such an analysis also prevents the Department from justifying in principle dual-use programs benefitting one industry rather than another.

The committee is also concerned that the TRP not duplicate programs provided by other federal agencies. This concern extends to congressional attempts to fund loan guarantee programs within the Department of Defense that would duplicate the programs of the Small Business Administration and that would require a new DOD staff to administer.

The committee recommends an authorization of \$625.0 million, the amount requested, for the TRP, as indicated below:

	Millions
Dual use technology partnerships	\$245
Commercial-military integration partnerships	\$80

Regional technology alliances	\$80
Advanced manufacturing technology partnerships	\$30
Manufacturing extension program	\$50
Manufacturing engineering education program	\$25
Agile manufacturing enterprise integration	\$35
Advanced materials partnerships	\$30
US-Japan management training	\$10
MARITECH	\$40
Total	\$625

The committee recommends a provision that would allocate these funds to the individual requested programs and ensure that the programs are executed pursuant to statutory mandates.

The committee recommends another provision that would allow a small business which has been notified that it has been selected to receive an award under the technology reinvestment program, at least 120 days after notification to meet the cost-sharing requirements of the TRP program. The committee believes that a small business proposal selected by the highly competitive TRP selection process will almost certainly succeed in obtaining venture financing during this period and that this change will encourage small businesses to take the lead in proposing TRP projects.

Finally, the committee recommends a provision identical to section 1317 of the National Defense Authorization Act for Fiscal Year 1994, that would set conditions on funding of defense technology reinvestment projects.

Federal defense laboratory diversification program and Navy reinvestment program

The committee recommends the requested amount of \$56.6 million in PE 603570D for the federal defense laboratory diversification program and the requested amount of \$50.0 million in PE 601572N, PE 602572N, and PE 603572N for the Navy reinvestment program. The committee welcomes these initiatives to put the principles of Secretary Perry's commercial-military integration strategy into practice. Partnerships funded under these programs can provide an effective mechanism both for spinning off laboratory technology for commercialization and for spinning on commercial technology to reduce acquisition costs.

The committee recommends a provision that would provide a statutory mandate for these programs in chapter 148 of title 10, United States Code. This mandate would ensure that they have the same statutory protection against non-competitive earmarking of specific projects as the projects in the technology reinvestment program.

International cooperative research and development

Section 2350a of title 10, United States Code, authorizes the Defense Department to conduct cooperative research and development projects with major allies of the United States. Section 2350a is often referred to as the "Nunn Amendment".

The members of NATO have established alliance organizations to develop, procure, or maintain common defense equipment. The NATO HAWK Production and Logistics Organization (located in Paris) and the SHAPE Technical Center (located in The Hague, Netherlands) are examples of these NATO organizations.

The committee believes that the Defense Department should be able to enter into agreements with these kinds of NATO organizations for cooperative research and development that satisfy the terms of the Nunn Amendment. Therefore, it recommends a provision that would amend section 2350a of title 10 to make NATO organizations eligible for cooperative research and development agreements.

The budget request contained \$60.2 million for international cooperative research and development. The committee commends the senior leadership of the Defense Department for requesting this level of funding. It is tangible proof of the commitment they have made to lead a "renaissance" in international armaments cooperation. The committee urges the Defense Department to stabilize future annual funding for this program around the level requested for fiscal year 1995.

Oceanography

The committee notes that section 1162 of the National Defense Authorization Act for Fiscal Year 1994 expressed the sense of Congress that oceanographic survey and research was very important to operational success in littoral waters. The committee understands the unique and difficult challenges posed by shallow water oceanography and recognizes the Navy has concentrated more attention on deep water oceanographic survey and research in the past.

The committee understands the Navy's need to maintain deep water oceanographic capabilities. The committee believes, however, that the Navy should pay more attention to littoral regions in order to implement ". . . From the Sea" as a fully developed concept. The lack of a clear and comprehensive analysis of shallow water oceanographic survey and research requirements is a fundamental deficiency that the Navy needs to address to satisfy the Defense Department's strategic objectives.

The committee recommends a provision that would direct the Secretary of the Navy to develop a report analyzing oceanographic requirements and the Navy's ability to meet those needs. Such a report will be essential as the committee assesses whether oceanographic research in littoral regions is receiving appropriate attention within the Department.

F-22 live fire testing

The Department of Defense has requested a retroactive waiver to the live fire testing requirements contained in section 2366 of title 10, United States Code. Section 2366 requires realistic survivability and lethality testing of systems prior to full-rate production. Systems covered by section 2366 must be tested for vulnerability in combat by firing munitions likely to be encountered in combat at the system configured for combat.

The Secretary of Defense is permitted to waive these requirements, before a system enters full-scale engineering development, if the Secretary certifies that live fire testing would be unreasonably expensive and impractical. The Secretary has determined that such testing would be unreasonably expensive and impractical for the F-22. However, the F-22 has already entered full-scale engineering development, legislation is needed to allow the Secretary to grant a waiver. The committee recommends such a provision.

The committee understands that the Department intends to conduct robust testing and analysis of potential F-22 vulnerabilities to ensure that testing and evaluation adheres to the spirit of section 2366, and that the production configuration of the F-22 reflects the results of lessons learned from that testing.

University research initiatives

The committee is pleased that the defense authorization and appropriations acts for fiscal year 1994 were nearly free of earmarks for specific universities and colleges in the university research initiative program.

According to a study released by the Congressional Research Service dated April 13, 1994, there were only two earmarks totalling \$12.0 million in this program in fiscal year 1994. This is a significant improvement over fiscal year 1993 in which there were 29 earmarks totaling \$176.5 million.

Although the committee is pleased that other committees have begun to cooperate to require that funds authorized for basic research at the university level are awarded on the basis of merit-based competition, the committee is aware that there is still no consensus on the best way to ensure that smaller colleges and universities have an adequate opportunity to compete for funding.

In 1993, this committee created the university research initiative support program. This program was authorized \$20.0 million for a separate competition for institutions that had received less than \$2.0 million in federal grants in the last two years. Institutions would be eligible for this program regardless of their location. No funds were specifically appropriated for this program.

The National Defense Authorization Act for Fiscal Year 1994 also authorized \$20.0 million for the defense experimental program to stimulate competitive research program (DEPSCOR). This program authorizes a separate competition for colleges and universities in states that have been designated by the Director of the National Science Foundation. Seventeen states are currently eligible for this program. The Department of Defense program is intended to complement the National Science Foundation program for building research capacity in states that have not traditionally received significant numbers of federal research grants.

The committee is concerned that the DEPCOR program places the emphasis on states rather than institutions. DEPCOR does not make awards to institutions that have good proposals but are not located in a DEPCOR state, even though the institution has had little or no previous federal funding. The committee is also concerned that DEPCOR awards are not limited by either state or institution. As a result, individual institutions and states can still receive DEPCOR funds even if they have received large amounts of federal funds from other sources in recent years.

The committee recommends a balance between the university research initiative and DEPCOR programs. The committee recommends that \$10.0 million of the funds authorized in PE 61103D for university research be authorized for the university research support program, and that \$10.0 million of the funds in PE 61103D be authorized for DEPCOR. The committee further recommends a provision that would limit DEPCOR awards to states that have received less than 50 percent of the national average investment of federal funds for institutions of higher education during the past two fiscal years.

Manufacturing science and technology

The committee has traditionally supported the manufacturing science and technology program (MANTECH). Last year, the committee recommended \$301.0 million for the manufacturing science and technology program and attempted to provide a statutory framework for this program that would encourage Department-wide planning, merit-based competitive selection of projects, and cost-sharing in appropriate cases. During the conference with the House of Representatives, this figure was reduced to \$112.5 million because of the earmarking of manufacturing technology funds for specific non-competitive, non-cost-shared projects by other committees. The budget request for fiscal year 1995 for MANTECH is \$97.0 million, the lowest in many years. This low figure reflects the Administration's loss of confidence in the program.

After much debate, the committee has decided to try one last time to work with the Department of Defense to address the real problems which the manufacturing science and technology program was intended to address, particularly in long-term, high risk research and in defense-unique applications. In doing so, the committee is mindful of the different approaches the military departments have taken to implement manufacturing science and technology programs. The committee is aware that while the Army, Air Force, and Defense Logistics Agency (DLA) rely mostly on contracts, grants to implement MANTECH, the Navy uses a combination of contracts, grants, and direct funding to centers of excellence. Since this different approach seems to work for the Navy, the committee has decided to recognize the Navy approach by funding its centers outside the manufacturing science and technology program in a separate program element. Because these centers already exist and have been set up at the request of the Navy, they will not be covered by the committee's requirement for competitive selection.

The committee welcomes the recent creation of a Defense Manufacturing Council within the Department and also welcomes the increased attention the manufacturing science and technology program is receiving from industrial associations. Ultimately, industry has an important role to play in preventing earmarking in this program and the Department of Defense should consider setting up an industry advisory group to assess this program and help keep it on track.

The committee recommends \$125.0 million for the manufacturing science and technology program: \$30.0 million in PE 78045A for the Army; \$50.00 million in PE 78011F for the Air Force; \$35.0 million in PE 65872N for the Navy, in addition to the \$20.164 million requested in PE 78011N for the Navy's existing centers of excellence for manufacturing technology; and \$10.0 million in PE 63705D for DLA. The committee urges the Department of Defense to require the active participation of smaller firms that produce manufacturing equipment in manufacturing technology programs.

The committee notes that it is strongly supporting manufacturing technology elsewhere in this Act, including full funding of the budget request for agile manufacturing and manufacturing technology partnerships within the technology reinvestment program, where the Administration has shown a willingness to defend a competitive, merit-based selection process.

The committee recommends a provision, which is similar to the provision recommended last year, that would provide a statutory framework for the manufacturing science and technology program. The committee has decided that if this provision is ignored or set aside this year, this will be the last year the committee recommends funds for this program.

TITLE III-OPERATION AND MAINTENANCE

The President's budget request included \$92,691.2 million for operation and maintenance of the armed forces and component agencies of the Department of Defense in fiscal year 1995.

The committee recommends authorization of \$92,307.5 million for the operation and maintenance (O&M) accounts for fiscal year 1995, a decrease of \$383.7 million below the budget request. The amount authorized for the O&M accounts includes, to the extent provided in appropriations acts, the transfer of \$250.0 million from the National Defense Stockpile Transaction Fund as requested in the budget.

For the revolving and management funds, the committee recommends authorization of \$789.4 million, a decrease of \$379.6 million from the amount requested in fiscal year 1995.

The recommended authorization for the operation and maintenance accounts for fiscal year 1995 is summarized in the following table. Offset Folios 173 to - Insert here ***TABLE GOES HERE***

The O&M accounts make up approximately 37 percent of the total Department of Defense budget. Adequate funding of the O&M accounts has an immediate and direct impact on the combat readiness of our military forces. In the past, OSD and the military Services have testified that approximately 70 percent of the funds in the O&M accounts are directly related to combat readiness and effectiveness. The O&M accounts pay the costs of:

- day-to-day operations of our military forces in the United States and around the world;
- all individual and unit training for military members, including joint exercises;
- maintenance and support of the weapons and equipment in the military Services;
- purchase and distribution of spare parts and supplies to support military members and their equipment wherever they are stationed or deployed; and
- support, maintenance, and repair of buildings and bases throughout the Department of Defense.

This year the full committee received testimony from the Service chiefs and the unified combatant commanders on readiness issues. The Subcommittee on Military Readiness and Defense Infrastructure followed up these full committee hearings with five hearings that focused on maintaining the readiness and combat capability of our military forces as we reduce the defense budget and draw down the size of our defense establishment. The subcommittee received testimony from the representatives of major troop commands in each of the military Services; from the senior logistics commanders in each Service; and from the O&M directors in each Service. In addition, the subcommittee had special hearings on military construction programs; environmental programs, base closure implementation, and community assistance; the Defense Business Operations Fund; and the implementation of the lessons learned from the Persian Gulf conflict. Finally as part of its review of the fiscal year 1995 budget request, the subcommittee visited the Norfolk Naval complex to discuss readiness concerns with front-line operating units.

Secretary Perry and General Shalikashvili testified before the committee that readiness programs had received the highest priority of any area in preparing the fiscal year 1995 budget. O&M funding grows by approximately \$5.0 billion, or 2 percent in real terms, in the fiscal year 1995 budget request, compared to a decline of 1 percent in the defense budget as a whole. Although a portion of this \$5.0 billion increase is budgeted to cover inflation and the fiscal year 1995 civilian pay raise, it is important to recognize that these costs represent "must pay" bills. If the costs of these "must-pay" bills are not fully reflected in the budget, funds are often reprogrammed during the fiscal year from other areas of the O&M budget-including readiness activities-to meet these costs.

Testimony before the committee this year indicates that the readiness of our military forces remains high, but all of the Services expressed concern about their ability to sustain current readiness levels in the future at current funding levels.

For example, although the fiscal year 1995 budget contains an increase of \$1.5 billion for depot maintenance activities, testimony before the Subcommittee on Military Readiness and Defense Infrastructure indicates that a large portion of this increase is to pay increased costs for depot maintenance under the Defense Business Operations Fund. Each of the Services will continue to have large backlogs of equipment for depot maintenance at the end of fiscal year 1995.

Another area of concern is real property maintenance—the repair and maintenance of facilities and bases. The Defense Department's own figures show that, even with the continued closure of unneeded bases, the backlog of real property maintenance and repair will reach \$12.6 billion in fiscal year 1995, an increase of 21 percent over the fiscal year 1994 level and an increase of 50 percent over the fiscal year 1993 level.

Finally, the committee is concerned about the increasingly difficult recruiting environment facing all of the military Services. Recruiting sufficient numbers of high quality people to serve in the nation's armed forces is a critical component of current and future readiness.

In both full committee and subcommittee hearings this year, DOD witnesses expressed the view that the overall level of O&M funding requested for fiscal year 1995 was the minimum level necessary to maintain current readiness levels. The committee has worked hard this year to preserve the O&M funding level in the fiscal year 1995 budget request to the maximum extent possible. In doing so, the committee has also identified savings within the amounts requested for O&M in fiscal year 1995 that can be applied to some of the readiness programs identified by the military Services as areas of concern that could lead to readiness problems in the near future.

Defense Business Operations Fund

Beginning October 1, 1991, the Defense Department combined five industrial funds and four stock funds into a single new revolving fund called the Defense Business Operations Fund (DBOF). The DBOF grew out of the Defense Management Review, and represented an effort to instill more private sector management practices into the support and maintenance activities of DOD.

Although combining nine separate revolving funds into a single revolving fund sounds like a relatively simple operation, the DBOF has been plagued from its inception with systemic, persistent financial and accounting problems which it inherited from the past. As GAO and this committee have pointed out repeatedly, most of these problems are the result of antiquated finance and accounting systems and lack of attention by senior management to financial management and financial integrity issues.

During the past year, there have been encouraging signs that financial management problems are finally receiving high level attention in DOD. In September 1993, then Deputy Secretary of Defense Perry approved the Defense Business Operations Fund improvement plan that established milestones for addressing the major shortcomings of the DBOF. The National Defense Authorization Act for Fiscal Year 1994 required DOD to submit a progress report to the Congress on the implementation of this plan by February 1, 1994, with a GAO report on the plan by March 1, 1994.

In testimony before the committee, DOD and GAO witnesses indicated that DOD is making progress on meeting the major milestones established under the DBOF Improvement Plan: completion of all DBOF policies by December 31, 1994; selection of the systems to account for Fund resources by September 30, 1994, and initiation of the implementation of these systems by September 31, 1994; and improvement of the accuracy of the monthly financial reports that provide information on the financial results of each business area by December 31, 1994.

Mr. David Nellesmann, the Director of Information Resources Management in the General Accounting Office, told the committee:

We continue to support the concept of the fund, and we believe that Congress should make the fund permanent. We do not think that going back to a separate fund concept, such as the old industrial and stock funds, is feasible or desirable. DBOF has too much to offer. It must be made to work.

The committee agrees with GAO that DBOF must be made to work. However, the committee also understands, as Mr. Nellesmann pointed out in his testimony to the committee, that "DOD is dealing with years of neglect in regard to its financial management structure, and it is going to require a long term commitment to correct these problems." The committee will continue to oversee DOD implementation of the DBOF improvement plan to carry out this commitment.

AUTHORITY TO OPERATE DBOF

Based on the recommendation of both DOD and GAO, the committee recommends a provision (sec. 311) that would make permanent the authority for DOD to operate the DBOF. Under current law, this authority would expire on December 31, 1994. This provision would continue the prohibition on putting new activities under the Fund. The committee agrees with the GAO recommendation that DOD should be prohibited from adding new activities or functions to DBOF until the policies, procedures, systems, and financial reports are in place to account accurately for, and to report on, the activities that are currently in DBOF.

IMPLEMENTATION OF DBOF IMPROVEMENT PLAN

As part of the committee's continued oversight of DBOF, the committee recommends a provision (sec. 312) that would require the Secretary of Defense to submit a progress report on the Department's implementation of the DBOF improvement plan by February 1, 1995. This section would also require the Comptroller General to report to Congress on the Department's implementation of the DBOF improvement plan by March 1, 1995.

LIMITATION ON OBLIGATIONS AGAINST THE CAPITAL ASSET SUBACCOUNT

Section 342 of the National Defense Authorization Act for Fiscal Year 1993 required the establishment of a capital asset subaccount in the DBOF. This account includes the estimated collection of depreciation expenses within the rates charged by DBOF business activities. These funds are used for capital costs such as minor construction, development of software in automated information systems, and procurement of equipment.

In testimony before the committee, GAO noted that the DBOF capital asset program lacks accurate information and is not being executed as planned. Mr. David Nellesmann testified:

DOD managers are not receiving accurate financial data on the Fund's annual \$1 billion to \$2 billion capital asset program. Consequently, it is extremely difficult, if not impossible, for DOD management and the Congress to monitor the execution of this program. In addition, the military services and DOD components do not appear to be executing the capital asset program in accordance with the budget presented to the Congress.

GAO testified that OSD managers are beginning to correct some of the problems in the management of the capital asset subaccount. The committee believes that additional effort is required in this area, and recommends a provision (sec. 313) that would set a cap of \$1.5 billion on expenditures from the capital asset subaccount during fiscal year 1995. This cap is \$100.0 million below the obligation level anticipated in the budget request.

RECOVERY OF PRIOR YEAR LOSSES IN THE DBOF

Under current DBOF pricing policy, customer rates for DBOF business activities are established on a fiscal year basis to recover the total cost of operations, and include gains or losses from prior year operating results. DOD adjusted the fiscal year 1995 DBOF rates for certain business areas to recover accumulated prior year operating losses totaling approximately \$1.7 billion.

In the view of GAO, recovery of prior year operating losses should be excluded from DBOF rates. Mr. Nellesmann testified before the committee that "Recovering past losses in this manner distorts the Fund's actual results of operation in a given year, diminishes the incentive for the Fund to operate efficiently, and makes it difficult to evaluate and monitor the Fund's status." Instead, GAO believes that DOD should seek a direct appropriation to cover any prior year losses in the DBOF business areas.

DOD believes that the current practice of reflecting gains and losses from prior year operating results in DBOF rates encourages DBOF business managers to operate more efficiently. In the view of DOD, DBOF business managers who know that any operating loss will simply be recouped through a direct appropriation from Congress in the following year will have less incentive to manage efficiently than if their operating results are reflected in the future rates of their business activities.

In the committee's view, DBOF managers should be given every incentive to manage their business activities in the most efficient manner possible. However, the committee is concerned that the accumulation of large operating losses distorts the rates charged by some business areas and drives up the cost of the goods and services provided by these business areas to the operating forces. The Comptroller of the Defense

Department, Dr. John Hamre, testified before the committee that this situation can lead to what he called a "vicious circle", in which prior year losses drive up DBOF rates, which in turn reduce customer demand. Reduced customer demand for DBOF goods and services leads to even further operating losses.

The committee directs DOD to review its current policy of recovering all operating losses through the DBOF rate structure and report the results of this review to the committee in its February 1, 1995 report on the implementation of the DBOF improvement plan.

Inventory management

Secondary item inventory in the Department of Defense includes spare parts for aircraft, ships, submarines, and combat vehicles; construction materials; clothing and textiles; fuel; and medical and dental supplies. Secondary items are purchased and managed by the military Services and the Defense Logistics Agency through the Defense Business Operations Fund.

Having adequate stocks of secondary items is a key component of the readiness and sustainability of our military forces. A large part of the cost of the daily training and operations of the military Services, for example, is the consumption of secondary items to support flying hours, steaming days, field training exercises, and maintenance and repair of equipment.

In the past, both the DOD Inspector General and the General Accounting Office have identified inventory management in the Department of Defense as an activity with substantial problems requiring significant management attention and corrective action. These problems have included large amounts of unrequired inventory; weaknesses in the requirements determination process; failure to cancel orders for material that is no longer needed; and a lack of visibility over assets. Although testimony before the committee this year indicates that all of the Services continue to make progress in addressing inventory management problems, much more remains to be done in this area.

In each of the last four years, Congress has enacted a limitation on obligations from DOD stock and industrial funds for the purchase of new secondary items for the military Services' supply systems. This committee first recommended this legislation as a direct response to the longstanding problems in inventory management throughout DOD. Although this limitation has been modified over the last four years, the purpose remains the same: to reduce the current levels of inventory in the DOD supply system and to encourage DOD inventory managers to purchase only what is necessary to support and maintain current and projected force levels.

To ensure that this limitation does not adversely affect force readiness, a key element of this provision has been the authority for the Secretary of Defense to waive the limitation if necessary for national security interests. Last year, Congress made this waiver authority even more explicit in the National Defense Authorization Act for Fiscal Year 1994, authorizing the Secretary of Defense to waive the limitation "if the Secretary determines that such waiver is necessary in order to maintain the readiness and combat effectiveness of the Armed Forces."

In testimony before the committee this year, some senior logistics officials in DOD testified that, in their view, the limitation on obligations for new inventory purchases was beginning to have a negative effect on supply availability and on force readiness, and others indicated that it could have that effect in the next year. At the same time, these same witnesses indicated they had not requested that the Secretary of Defense exercise his authority under the law to waive this limitation.

The committee reiterates that the limitation on inventory purchases through the DBOF was enacted to correct inventory management problems, and should not be allowed to cause readiness problems. If any of the Services believe that this limitation will affect their ability to support and maintain their forces during fiscal year 1994, they should immediately ask for a waiver from the Secretary of Defense, as provided under current law.

After careful review, the committee recommends a provision (sec. 314) that would continue through fiscal year 1995 the current limitation on incurring obligations in the DBOF for the purchase of new secondary items for the military Services' supply systems in excess of 65 percent of DBOF sales. The provision would again allow the Secretary of Defense to waive this limitation if the Secretary determines that such a waiver is necessary to maintain the readiness and combat effectiveness of the military Services.

Section 314 would also require the secretaries of the military departments and the Director of the Defense Logistics Agency to report to the Secretary of Defense not later than 60 days after enactment of this Act on the effect of this 65 percent limitation on their ability to maintain and support the operating forces. If any of the military Services provide documentation that the limitation on DBOF obligations in section 314 is

causing readiness problems, the committee urges the Secretary of Defense to use the authority in this section to modify or waive this limitation as appropriate.

TOTAL ASSET VISIBILITY

One of the critical tasks in improving inventory management throughout the Department of Defense is achieving what DOD calls "total asset visibility"-the visibility and accountability of inventory in storage; in maintenance; in transit from the point of origin to the operational units in the field; and in the hands of operational units. The committee strongly encourages the Department to continue its efforts to exploit current technology to improve the visibility of inventory throughout DOD.

The committee understands that the Joint Logistics Systems Center (JLSC) has recently selected systems in depot maintenance and materiel management for deployment as migration systems to improve depot operations through increased asset visibility and greater financial standardization. The committee agrees with the determination that the effect of deploying very large, complex systems as a total package on receiving depots would be difficult, and that deployment by subsystems is the most effective approach. The committee encourages the Department to continue the expeditious deployment of these systems as a step toward achieving greater asset visibility and improving overall depot operations.

DOD recruiting programs

The military personnel system is a closed system in which future leaders enter at the bottom and progress upward through the ranks. Even as we reduce the size of the military establishment, the military Services must still recruit approximately 200,000 young people to enter active duty each year.

Testimony by senior military leaders before the committee this year indicates that all of the military Services are facing increasing difficulty in meeting their recruit quality goals. The difficult recruiting environment is the result of several factors, including reduced recruiting and advertising budgets and demographics. Of greatest concern, however, is the continued decline in the propensity of young people to serve in the military Services, as documented by the Defense Department's annual youth attitude tracking study.

Recruiting sufficient numbers of high quality people to serve in the military Services is a critical element of current and future force readiness. Research has clearly shown a very strong correlation between high quality recruits who are high school diploma graduates and successful duty performance.

Recruiting high quality individuals is also cost-effective. Eighty percent of recruits who receive a high school diploma will complete their first three years, while only 50 percent of those who failed to complete high school will make it to the end of their initial enlistment. As the Deputy Chief of Staff of the Air Force, Lieutenant General Billy Boles, testified to the committee: "Lower quality recruits create a cycle of events that raise training and recruiting costs. Reduced quality raises initial entry training attrition and discipline rates, which in turn, raise recruiting and training costs since more accessions will be required to replace those separated for misconduct or poor performance."

The committee emphatically directs the military Services not to reduce recruit quality standards simply to meet recruiting goals. The military Services should not lower their high school diploma graduate or mental category recruiting standards and objectives just to meet numerical targets.

In the current fiscal year, DOD is reprogramming funds in the military Services to increase funding for recruiting and advertising activities. Since the fiscal year 1995 budget request for recruiting and advertising is actually below the fiscal year 1994 level after adjusting for inflation, the committee is concerned that the fiscal year 1995 budget will not allow the military Services to meet both their recruit quantity and quality goals. One Service Deputy Chief of Staff for Personnel testified before the committee that his Service will not be able to meet their future recruiting goals "with today's resources and advertising dollars."

Accordingly, the committee recommends an increase of \$71.7 million for the military Services' active duty recruiting programs in fiscal year 1995. In addition, the committee recommends a provision (sec. 441) that would repeal section 431 of the National Defense Authorization Act for Fiscal Year 1993 which required a reduction of 10 percent in the number of personnel assigned to recruiting activities from the fiscal year 1992 level by the end of fiscal year 1994.

DOD intelligence programs

AIR COMBAT COMMAND AUTOMATIC DATA PROCESSING

The budget request included \$2.4 million in the general defense intelligence program (GDIP) for intelligence data handling system support for the 480th Intelligence Group at the Air Combat Command.

The Senate Select Committee on Intelligence has recommended a reduction of \$1.0 million to this request on the grounds that this program should be partly funded in the tactical intelligence and related activities (TIARA) budget.

The 480th Intelligence Group as a whole was transferred to the TIARA budget aggregation several years ago; this specific program, however, was left in the GDIP. The committee believes that splitting the funding for such a small element of a program that is otherwise completely funded in TIARA makes little sense.

The committee therefore recommends the requested amount of \$2.4 million within the TIARA budget aggregation and decreases the GDIP budget request accordingly.

RESERVES AUGMENTATION FOR INTELLIGENCE PRODUCTION

Due to budget and personnel reductions, the ability of the Defense Intelligence Agency and the military services to produce finished intelligence has diminished significantly, to the point that defense intelligence can no longer stay current on developments in many countries and regions of the world. The Director of Military Intelligence has identified this problem as a major concern, and has proposed to remedy some of the shortfalls by augmenting the capabilities of the reserve components.

The Senate Select Committee on Intelligence has recommended that the reserve component sites which serve as drill, advanced training, and mobilization centers for intelligence production personnel be provided modern equipment to improve productivity and to operate with equipment at the Defense Intelligence Agency and active-duty Service production centers. This equipment includes STU-III telephones, and workstations and printers that are compatible with the standard joint deployable intelligence support system. The committee therefore recommends \$5.0 million in the Defense Intelligence Agency operation and maintenance account to be allocated to the reserve components in the most efficient manner by the Director of Military Intelligence. The committee intends for this equipment to be provided to units other than units meeting at locations, such as the Defense Intelligence Agency, where such equipment is already available.

NORTH WARNING SYSTEM

The Senate Select Committee on Intelligence has recommended that the budget request for operation and maintenance for the north warning system/distant early warning radar stations be reduced by \$18.0 million. The Select Committee notes that the fiscal year 1995 budget request for this program represents a 50 percent increase over the fiscal year 1994 level. The Select Committee cites a prediction by the Secretary of Defense that discussions with Canada will lead to reductions in this program. The committee therefore agrees to recommend a reduction of \$18.0 million, which represents about half of the increase requested over the fiscal year 1994 level.

JOINT TARGETING SUPPORT

The Senate Select Committee on Intelligence has requested that the committee recommend an additional \$7.0 million in the tactical intelligence and related activities budget aggregation for targeting support enhancements to correct deficiencies identified in Operation Desert Storm. The Select Committee has concluded that all the Services require more capable target material workstations and printers that are interoperable with the joint deployable intelligence support system and the imagery data exploitation system, both of which are now standard DOD intelligence support programs. The committee therefore recommends this amount to the Defense Intelligence Agency for allocation to the military Services by the Director of Military Intelligence.

INTELLIGENCE COMMUNICATIONS ARCHITECTURES PROJECT

The committee commends the work of the intelligence communications architecture (INCA) project office in support of the Congress and the Assistant Secretary of Defense for Command, Control, Communications and Intelligence. On a small budget, this office consistently produces objective, high-quality studies on important issues within short periods of time. The Senate Select Committee on Intelligence

has recommended an increase to the budget request for INCA in both the general defense intelligence program and the tactical intelligence and related activities (TIARA) budget aggregation. The committee agrees with the Select Committee and therefore recommends an additional \$2.5 million for INCA in the TIARA aggregation.

AUTOMATED MESSAGE HANDLING SYSTEM

The Senate Select Committee on Intelligence concluded that \$1.0 million requested in the general defense intelligence program (GDIP) for an Air Force automated message handling system should have been budgeted in the tactical intelligence and related activities (TIARA) aggregation. The Select Committee recommended a reduction in the Air Force GDIP operation and maintenance request of \$1.0 million, and an increase in the Air Force TIARA O&M account of \$1.0 million. The committee accepts this recommendation.

Other funding adjustments

Civilian personnel levels.-During fiscal year 1994, civilian personnel levels in the Army, Air Force, and certain defense agencies have been reduced faster than anticipated in the fiscal year 1995 budget. This drawdown means lower-than-budgeted civilian personnel levels throughout fiscal year 1995, resulting in savings of \$603.0 million in the Army; \$468.0 million in the Air Force; and \$87.4 million in the defense agencies. These savings occur in the operation and maintenance; R&D; and military construction and family housing accounts, as well as in the Defense Business Operations Fund. The committee has made the appropriate adjustments in the fiscal year 1995 budget request in these accounts to reflect the savings.

Depot maintenance programs.-The committee recommends an increase of \$250.0 million for fiscal year 1995 to address shortfalls in depot maintenance and repairable funding in the Army, Navy, and Air Force.

The committee understands that the Army is considering an innovative life cycle maintenance program for the Abrams M1A1 tank involving a partnership between a private contractor and an Army depot that could lead to higher operational readiness and reduced operating costs of the Army's M1A1 fleet. The committee believes that this joint public/private sector management approach could serve as a model for other key sectors of the defense industrial base and encourages the Army to proceed with a pilot life cycle readiness program for the M1A1 tank fleet.

Marine Corps operating forces.-The committee recommends an increase of \$62.0 million to bring operating funds for Marine Corps forces in line with force levels and operating tempos.

Federal Workforce Restructuring Act of 1994.-The Federal Workforce Restructuring Act of 1994 was passed after the development of the fiscal year 1995 budget. DOD has estimated the fiscal year 1995 cost of this legislation to the Department to be \$88.5 million, and the committee recommends that these funds be added to the fiscal year 1995 budget.

DOD Inspector General staffing.-The committee recommends an increase of \$12.7 million to the budget request to maintain staffing within the DOD Inspector General's office at the current level through fiscal year 1995.

Real property maintenance.-According to DOD figures, the backlog of real property maintenance and repair in the Defense Department will reach \$12.6 billion in fiscal year 1995, a 21 percent increase over the fiscal year 1994 level and a 50 percent increase over the fiscal year 1993 level. The committee is concerned that this dramatic growth in the backlog of real property maintenance will affect readiness and the quality of life on military bases. The committee recommends an increase of \$200.0 million to the budget request in this area.

Army Environmental Policy Institute.-The committee recommends \$4.7 million for the Army Environmental Policy Institute for fiscal year 1995, an increase of \$1.5 million above the budget request. This increase is necessary to meet the costs of the proposed relocation of this Institute during fiscal year 1995. This Institute has helped the Army take a strategic look at its environmental obligations and identify issues and problems that will arise in the future. The committee supports the work of the Institute and urges the completion of the relocation as soon as possible to ensure the minimum amount of disruption.

Civil Air Patrol.-The committee recommends an increase of \$3.8 million to the amount requested in the Air Force O&M account in fiscal year 1995 for support of Civil Air Patrol activities and operations. This increase will support the reorganization of the national headquarters of the Civil Air Patrol proposed by the Air Force in the fiscal year 1995 budget.

DOD support to international athletic events held in the United States.-For fiscal year 1995, the committee recommends \$3.0 million for DOD support of the 1995 Special Olympics World Games and \$10.0 million for DOD support to the 1996 Summer Olympics.

National Guard pilot program to provide medical care in underserved areas.-Under section 376 of the National Defense Authorization Act for Fiscal Year 1993 as amended, the National Guard Bureau is carrying out a three-year pilot program in which National Guard medical units provide medical care to underserved communities incidental to normal training activities. The first two years of this pilot program have been very successful, and the committee recommends \$5.0 million in fiscal year 1995 to fund the third year of this pilot program.

Arms control compliance activities.-The committee recommends a reduction of \$20.0 million to the fiscal year 1995 budget request for arms control compliance activities in the On-Site Inspection Agency and the military Services based on revised assumptions regarding the dates on which arms control treaties are likely to enter into force.

Environmental education opportunities program.-The committee recommends an increase of \$8.0 million to the budget request for fiscal year 1995 to continue the environmental education opportunities program established pursuant to section 1334 of the National Defense Authorization Act for Fiscal Year 1994 and the environmental scholarship and fellowship programs for the Department of Defense established pursuant to section 4451 of the National Defense Authorization Act for Fiscal Year 1993. These two programs provide scholarship funds for environmental training at the graduate and undergraduate level. There continues to be a shortage of well-trained, environmental professionals in DOD. These programs provide DOD a source of environmental professionals, and give much-needed assistance to individuals whose traditional, defense-oriented jobs have been abolished as a result of the defense drawdown.

Uniformed Services University of the Health Sciences.-As discussed elsewhere in this report, the committee recommends an increase of \$600,000 to the budget request to continue the operations of the Uniformed Services University of the Health Sciences at the current level.

Assistance to local education agencies.-The committee recommends an increase of \$58.0 million to the budget request to enable the Secretary of Defense to make payments to local school districts with large concentrations of DOD dependents to mitigate the impact of DOD dependents on these districts.

Classified programs.-The committee recommends a series of adjustments to classified programs in the budget request that are discussed in the classified annex to this report.

Summary of adjustments

The following table summarizes the committee's recommended adjustments to each of the operation and maintenance accounts for fiscal year 1995.

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Armed Forces Retirement Home

In the Armed Forces Retirement Home Act of 1991 (title XV of the National Defense Authorization Act for Fiscal Year 1991), Congress consolidated the United States Soldiers' and Airmen's Home (USSAH) and the United States Naval Home (USNH) into the Armed Forces Retirement Home. The 1991 legislation also established the Armed Forces Retirement Home Board to exercise policy oversight of the Armed Forces Retirement Home and to oversee the activities of the local boards of trustees for the USSAH and the USNH.

The mission of the Armed Forces Retirement Home is to provide care and service in a retirement community for retired and former members of the armed forces, and to provide high quality residential, social, and health services to residents of the Home. The committee supports the mission of the Home. At this time, there are approximately 2,300 residents of the Home-approximately 1,750 at the USSAH and 550 at the USNH. Under current law, the Armed Forces Retirement Home receives its funding from three major sources: all fines and forfeitures of pay from the enlisted force; an assessment of fifty cents per month from all active duty enlisted members, warrant officers, and limited duty officers; and fees from residents of the two homes. Funds from these three sources are paid into the Armed Forces Retirement Home Trust Fund, and each year Congress authorizes and appropriates funds from this Trust Fund for the operation of the Armed Forces Retirement Home.

Fines and forfeitures, the assessments, and the interest on the Trust Fund balance constitute 85 percent of the income for the Armed Forces Retirement Home Trust Fund. Residents' fees make up the remaining 15 percent. As the size of the active duty force declines, the amount of money going into the Trust Fund for the operation of the Armed Forces Retirement Home is declining. Currently, annual expenditures from the Trust Fund exceed income to the Trust Fund. The Board estimates that under current plans and at current operating levels, without an increase in income, the Trust Fund will be depleted by the end of the decade.

To address this shortfall in Trust Fund income, the Board and the Defense Department have proposed increasing the monthly assessment from active duty enlisted members, warrant officers, and limited duty officers from fifty cents per month to two dollars per month in increments of 50 cents each year over a three-year period. After careful review, the committee recommends a provision (sec. 333) that would authorize the Secretary of Defense to increase the monthly assessment on active duty enlisted members, warrant officers, and limited duty officers by fifty cents per year, up to a total of not more than two dollars per month. These increases could not begin until 1995, and there must be an interval of at least 12 months between any increase.

The committee intentionally delayed the authority of the Secretary of Defense to increase the assessment until 1995 in order to give the military Services an opportunity to begin an active education program to inform military personnel about the Armed Forces Retirement Home.

In addition, the committee directs the Defense Department and the Board to look for alternative financing options that would increase income for the Trust Fund that could avoid the need to increase the assessment.

In asking the members of the armed forces to increase their financial support for the Armed Forces Retirement Home, the committee also believes that it is appropriate to increase the fees for residents living in the Home. Under current law, by the end of fiscal year 1997, residents' fees will increase to 25 percent of total federal payments made to a resident, including military or civil service retired pay, VA disability compensation, and Social Security payments. The Board has proposed increasing resident fees beginning in fiscal year 1998. These fees would reach 40 percent of total income for dormitory residents and 65 percent of total income for permanent health care residents by fiscal year 2000. Section 333 would also provide the authority to increase the resident fee structure as proposed by the Board.

Finally, section 333 would direct the Board to carry out a study to identify and evaluate alternatives for modernization of the facilities at the United States Soldiers' and Airmen's Home. The committee understands that the Board has such a study underway, and encourages the Board to consider all possible alternatives. Under section 333, an interim report would be provided to the Committees on Armed Services of the Senate and House of Representatives not later than April 1, 1995, and the final report not later than December 31, 1995.

Defense environmental programs

DEFENSE ENVIRONMENTAL RESTORATION ACCOUNT

The committee recommends \$2.18 billion for the Defense Environmental Restoration Account (DERA), the same level included in the budget request. This account funds the defense environmental restoration program (DERP) to clean up active military bases and formerly used defense sites. Funding for environmental restoration at bases closed pursuant to the Base Closure Acts is provided in the Base Closure Accounts.

The committee is pleased to see that the DOD environmental restoration program is making real progress. Studies, a necessary part of the overall process, are being completed, and actual cleanup is being implemented. Actual cleanup should account for just over half of the funds recommended for fiscal year 1995.

In carrying out the DERP, the committee urges DOD to work with the Environmental Protection Agency (EPA) and state regulators to identify cost-effective technologies that can be used in the cleanup plans. Without aggressive use of new, more efficient, and less costly methods of cleanup, DOD will, in the future, find it difficult to meet its obligation to clean up the military bases. As the program moves more and more bases into the cleanup phase, there is an opportunity for significant cost savings if new and efficient cleanup technologies are used. The committee is concerned that one of the reasons that new technologies are not used is reluctance by the regulatory community to approve new technologies in reuse plans. DOD has requested \$15.0 million to establish and conduct a technology certification program to demonstrate the effectiveness of new technologies at DOD sites. The committee supports this new initiative and hopes that this will further acceptance of new technologies by the regulators.

The bulk of the funds in the DERA are spent on installations listed on the national priority list (NPL), the Environmental Protection Agency's list of the most contaminated sites. When the EPA first began to list military installations on the NPL, EPA and DOD determined that the entire base would constitute an NPL site. As a result of this decision, the entire base is managed under the Comprehensive Environmental Response, Compensation and Liability Act. While an installation may have one or several sites that, standing alone, are appropriate for listing on the NPL, the installations also routinely have hundreds of other sites that would not merit listing if they were not part of the military installation.

Much of the criticism of the DOD cleanup program has been aimed at what has been perceived to be an endless cycle of studies. Studies are a necessary part of the cleanup process. Without a good understanding of the nature, source, and scope of the contamination, cleanup is not productive. However, in many instances it seems that some studies appear to go on forever without any incentive to complete the study and move on to the cleanup. The process for conducting studies at NPL sites was designed to address the needs of these severely contaminated sites. As a result of the DOD and EPA decision to list entire installations on the NPL, thousands of minimally contaminated sites fall under the CERCLA study process. This study process may not be the most expeditious and effective way to clean up installations on a timely basis.

The General Accounting Office, in a report issued in April 1994, has raised questions about the continuing wisdom of this decision. While the decision to include the entire installation on the NPL made sense in the past, the committee concurs with the GAO recommendation, that it is now time to take a new look at the way DOD sites are scored and listed on the NPL. The committee, therefore, directs the Secretary of Defense and the Administrator of the Environmental Protection Agency to review the method in which military installations are scored and listed on the NPL and to determine if changes to the process should be made.

FORMERLY USED DEFENSE SITES

A small and often overlooked portion of the defense environmental restoration program is the formerly used defense sites program (FUDS). The sites in the FUDS program were owned, leased, or used by DOD in the past. While approximately 8,000 FUDS properties have been identified, they tend to be small with relatively less significant contamination. Only 5 FUDS are listed on the NPL.

The budget request for FUDS is \$23.1 million for fiscal year 1995, down from the fiscal year 1994 level of \$32.3 million. This is a significant reduction in the FUDS program. The funding for FUDS is included in the overall request for DERA, and for all practical purposes is, in essence, a planning figure and not a limitation on the funds available for FUDS. The committee is concerned that because of the generally low profile nature of these sites, adequate funding for FUDS may not be made available. In many instances, these sites can, with sufficient funding, be cleaned up quickly. The committee urges DOD to fully fund these sites and to reduce the inventory of FUDS sites on a timely basis.

RECYCLABLE MATERIALS

The National Defense Authorization Act for Fiscal Year 1983 established the DOD recycling program. In order to encourage the development of a recycling program, DOD was authorized to retain the proceeds received from the sale of recyclable materials, after all costs associated with the program were paid. Up to 50 percent of the net proceeds could be used for pollution abatement, energy conservation, and occupational health and safety projects at the installation. Any remaining balances could be transferred to the installation non-appropriated fund morale, welfare, and recreation account.

The committee is concerned that over the years, the Department of Defense recycling program has not received appropriate guidance from, and oversight by, DOD and the military Services. In some instances, this lack of attention has resulted in inappropriate materials being included in the program and in insufficient accounting and control mechanisms.

The committee continues to support a strong recycling program and believes that financial incentives, such as retention of the proceeds by the base for environmental, morale, welfare, and recreation programs, are a key ingredient to a recycling program. On the other hand, the committee recognizes that, in many instances, recycling traditional post-consumer materials, such as glass, aluminum, newspapers, and steel food

cans, is not economically feasible, even if avoided disposal costs are taken into consideration. Thus, the materials recycled as part of the program have to be sufficiently broad to provide a financial incentive and to cover all costs, including personnel and equipment, necessary to conduct the program. The program has to be balanced, however, between the need to provide financial incentives and the need to avoid abuse of the program by including materials in the program that have significant value, such as stockpile materials or items that have an immediate reuse. Proceeds from the sale of these types of items and material should be returned to the Treasury.

The GAO, in a report issued in December 1993, criticized the management and administration of the recycling program. Consistent with the GAO report, the committee recommends that DOD prescribe new or revised recycling regulations, subject to public notice and comment. These new regulations should address the many competing and sometimes conflicting interpretations of the program; resolve the differing approaches and requirements of the Services and defense agencies; establish a clear definition of the nature of materials eligible for the program; establish a uniform method of accounting for recycling proceeds and related costs; and establish a uniform method of material controls.

The committee further believes that these regulations should be completed by March 1, 1996. If new regulations have not been prescribed by that time, the committee will consider terminating the special authority for the military installations to retain the proceeds for morale, welfare, and recreation activities.

REVOLVING AND MANAGEMENT FUNDS

Defense Business Operations Fund

The fiscal year 1995 budget request included a request for authorization of \$1,169.0 million for direct appropriations to the Defense Business Operations Fund (DBOF). This amount included \$1,163.9 million for DOD commissary operations and \$5.1 million for Air Force war reserve requirements. The committee recommends the full amount requested for both of these activities.

Elsewhere in this report, the committee has discussed the following adjustments in funding that affect the overall cash balance of the Defense Business Operations Fund:

	Dollars in millions
Civilian personnel understrength	-210.0
Federal Workforce Restructuring Act of 1994	+30.4
Fuel savings	-100.0
Limitation on obligations from the capital asset subaccount	-100.0
Total	-379.6

The committee recommends authorization of \$789.4 million for direct appropriation to the DBOF in fiscal year 1995, a decrease of \$379.6 million in the amount requested. This reduction should be offset by transfer of cash balances of this amount within DBOF so that the full amount requested for DOD commissary operations and Air Force war reserve stocks will be made available in fiscal year 1995.

National Defense Sealift Fund

NATIONAL DEFENSE FEATURES

The committee report on S. 1298 (S. Rept. 103-112) and the statement of managers accompanying the conference report on the National Defense Authorization Act for Fiscal Years 1992 and 1993 (H. Rept. 103-160) expressed continuing support for a national defense features (NDF) program as an important contributor to strategic sealift. Such an NDF program would entail providing funds to install important defense features into privately-owned merchant vessels during their construction. Such features would make these vessels more capable of carrying military cargo during a contingency. Ship construction costs would be borne by the

commercial ship operator, who would contract directly with a U.S. shipyard for construction of the ship. Our nation's shipbuilding industry would benefit from such a proposal. Costs to the government per ship would be lower than the costs of buying a whole ship. Through a binding agreement with the carrier, the ship would be available for immediate recall in the event of a contingency.

The fiscal year 1995 budget request for the National Defense Sealift Fund contained \$43.0 million for the purchase of existing foreign-owned roll-on/roll-off (RO/RO) ships for the Ready Reserve Force (RRF). The committee believes that these funds may be better spent to establish a NDF program as a complement to the national shipbuilding initiative established by the National Defense Authorization Act for Fiscal Year 1994. Accordingly, the committee recommends no authorization to purchase foreign-owned RO/RO ships for the RRF. Rather, the committee recommends \$43.0 million for procurement and installation of national defense sealift features on commercial RO/RO ships with superior capacity and capability that will be built in U.S. shipyards.

REPORT ON DOMESTIC PROPELLER MANUFACTURING

The statement of managers accompanying the conference report on the National Defense Authorization Act for Fiscal Year 1994 (H. Rept. 103-357) required the Secretary of Defense to provide a report on the U.S. industrial capacity to pour and finish non-ferrous castings for both fixed pitch (mono-bloc) propellers and controllable-reversible pitch propellers. The Secretary was directed to address the implications of this capacity for U.S. import policy regarding such castings and forgings.

The Secretary has not provided the report. The committee is disappointed that the report has not been provided and urges the Secretary to forward it as soon as possible.

MARITIME PREPOSITIONING SHIP LEASES

The maritime prepositioning ship (MPS) program was begun in the early 1980s under a set of renewable lease agreements with several different contractors. This program has worked well, as evidenced by the MPS program's performance in the Persian Gulf War.

The program's underlying financial assumptions in the leases were based on the economic climate of that era. These fundamentals have changed. The Military Sealift Command (MSC) has been renegotiating these leases, and has concluded agreements on two of the three sets of leases. There is now a disagreement over the third set of leases. Unfortunately, the two parties disagree about the facts. The committee has heard from both sides of this disagreement and is puzzled by the situation. The committee believes that a review and analysis of the situation could help clarify the facts.

The committee needs answers to several questions before coming to any conclusions on this issue:

(1) What are the absolute dollar and discounted dollar costs of buying out the lease vs. accepting the latest offer to reduce operating costs? These estimates should include both capital and operating expense comparisons.

(2) What standing does the government have to assume the capital lease arrangement guaranteed by the Federal Financing Bank, rather than paying off the whole loan?

(3) What basis is MSC using to estimate savings accruing from competing operating hire contracts?

(4) What funds are included in the Future Years Defense Program to buy out the leases?

The committee directs the Secretary of Defense to provide an analysis of this situation, including at least answers to these questions, before the Department takes any steps to terminate these contracts.

LEGISLATIVE PROVISIONS

SUBTITLE A-AUTHORIZATION OF APPROPRIATIONS

Armed Forces Retirement Home

Section 303 would authorize \$59.3 million for the operation of the Armed Forces Retirement Home in fiscal year 1995.

National Security Education Trust Fund obligations

Section 304 would authorize \$14.3 million to be obligated from the National Security Education Trust Fund during fiscal year 1995.

Transfer from National Defense Stockpile Transaction Fund

Section 305 would authorize the Secretary of Defense, to the extent provided in appropriations acts, to transfer \$250.0 million from the National Defense Stockpile Transaction Fund to the O&M accounts during fiscal year 1995.

Support for the 1995 Special Olympics World Games

Section 306 would authorize DOD to provide logistical support and personnel services to the 1995 Special Olympics World Games to be held in New Haven, Connecticut during the summer of 1995.

SUBTITLE B-DEFENSE BUSINESS OPERATIONS FUND

Permanent authority for use of fund for managing working capital funds and certain activities

Section 311 would amend section 316 of the National Defense Authorization Act for Fiscal Years 1992 and 1993 to make permanent the authority of the Secretary of Defense to manage the working capital funds and industrial, commercial, and support activities of the Department of Defense through the Defense Business Operations Fund (DBOF). Under current law, the authority to operate the DBOF expires on December 31, 1994.

Implementation of improvement plan

Section 312 would require the Secretary of Defense to submit to the congressional defense committees a progress report on the implementation of the Defense Business Operations Fund improvement plan by February 1, 1995. This section would also require the Comptroller General to report to Congress on the Defense Department's implementation of the DBOF improvement plan by March 1, 1995.

Limitation on obligations against the capital asset fund

Section 313 would set a cap of \$1.5 billion, which is \$100.0 million below the budget request, on obligations from the capital asset subaccount of the DBOF during fiscal year 1995.

Limitation on obligations against the supply management divisions

Section 314 would prohibit the Secretary of Defense from incurring obligations against the Defense Business Operations Fund during fiscal year 1995, except for obligations for fuel, subsistence and commissary items, retail operations, repair of equipment, and the cost of operations, in excess of 65 percent of sales from the DBOF during the fiscal year. This provision would allow the Secretary of Defense, or his designee, to waive this 65 percent limitation cap if the Secretary determines that such action is necessary to maintain the readiness and combat effectiveness of the military Services. Finally, this provision would require the Service secretaries and the Director of the Defense Logistics Agency to report to the Secretary of Defense on the effect of this limitation on their ability to maintain the readiness and combat effectiveness of the armed forces not later than 60 days after enactment of this Act.

Similar limitations were in place during fiscal years 1992, 1993, and 1994, and have contributed to the reduction of unneeded inventory from the Defense Department supply system.

SUBTITLE C-ENVIRONMENTAL PROVISIONS

Prohibition on purchase of surety bonds and other guarantees for the Department of Defense

Section 321 would prohibit the Department of Defense from purchasing surety bonds or other financial instruments that guarantee its direct performance.

Extension of prohibition on use of environmental restoration funds for payment of fines and penalties

Section 322 would prohibit the use of funds appropriated for fiscal year 1995 for the defense environmental restoration account in the Department of Defense from being used to pay fines and penalties except to the extent that the fine or penalty imposed arises out of activities funded by the account.

Participation of Indian tribes in agreements for defense environmental restoration

Section 323 would amend section 2701(d) of title 10, United States Code, to allow DOD to enter into environmental agreements with federally recognized Indian tribes. Section 2701(d) allows the Secretary to enter into agreements with federal, state, and local governmental agencies to obtain, on a cost-reimbursable basis, the services of those agencies to assist the Secretary in carrying out the DOD environmental restoration program. One type of agreement, known as a defense state memorandum of agreement, allows the Secretary to utilize these agencies in the environmental restoration process. This provision would allow DOD to enter into agreements with Indian tribes so that they, too, could participate in the DOD environmental restoration process to the same extent as a state or other agency.

The authority to enter into the agreements is not intended to be limited to instances where DOD contaminants and cleanup decisions affect only land directly under the control of Indian tribes. This authority would extend broadly to include reserved resources and other lands, the management, protection, and use of which are of concern to Indian tribes. At a minimum, this authority would apply to those lands described under section 107(f) and for which Indian tribes may recover natural resources damages under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA). For the purposes of this section, Indian tribes would have the same meaning as section 101(36) of CERCLA.

SUBTITLE D-MATTERS RELATING TO DEPARTMENT OF DEFENSE

Civilian Employees

Extension of certain transition authorities

The committee recommends a provision (sec. 331) that would extend certain personnel drawdown authorities (special reduction-in-force notification rules, separation pay, and continued health benefits). This provision would extend the annual leave carry-over provisions to employees at any installation closed through the base realignment and closure process.

Extension and expansion of authority to conduct personnel demonstration projects

The committee recommends a provision (sec. 332) that would make permanent the authority of the Secretary of the Navy to continue the personnel demonstration project at the Naval Air Warfare Center Weapons Division, China Lake, California, and at the Naval Command, Control, and Ocean Center, San Diego, California.

This five-year project, an integrated approach to pay, performance appraisal, and position classification for the more effective operation of government organizations, was initiated in 1980 under the Civil Service Reform Act of 1978. The Congress has twice extended the authority for the project. The current authority expires on September 30, 1995.

Through the demonstration project, the centers at China Lake and San Diego have been successfully using alternative personnel management systems for 14 years. Any attempt to return to the pre-demonstration project personnel management systems would be detrimental to the operation of these facilities and their employees.

Additionally, this provision would authorize the Secretary of Defense to extend this demonstration project to the Department of Defense science and technology reinvention laboratories.

Limitation on severance pay for certain civilian employees transferring to employment positions in non-appropriated fund instrumentalities

The committee recommends a provision (sec. 333) that would preclude appropriated fund employees from immediately receiving severance pay upon movement to non-appropriated fund positions under the pay and benefits protections of the Portability of Benefits for Non-appropriated Fund Employees Act of 1990. These employees continue to be employed with little or no loss in benefits. Those employees who are vested in a civil service retirement plan are given the option to remain in that plan with a goal of receiving a civil service retirement annuity. Under these circumstances, immediate entitlement to severance pay is not warranted.

If the employee is subsequently involuntarily separated from non-appropriated fund employment, the original appropriated fund severance pay entitlement would resume. The provision would prevent an employee from receiving appropriated fund and non-appropriated fund severance pay for the same period of appropriated fund service, in the same amounts.

Retirement credit for certain service in non-appropriated fund instrumentalities before January 1, 1987

The committee recommends a provision (sec. 334) that would provide portability of retirement credit for certain former non-appropriated fund employees not covered by the previous portability legislation.

Portability of benefits when an employee moves, voluntarily or involuntarily, between appropriated and non-appropriated fund positions has been addressed in two previous public laws. The first, The Non-appropriated Fund Instrumentalities Employees' Retirement Credit Act of 1986, credited service in certain non-appropriated fund occupations between June 18, 1952 and January 1, 1966 towards civil service retirement. The second, The Portability of Benefits for Non-appropriated Fund Employees Act of 1990, provided pay and benefit protection for employees who move between non-appropriated fund and civil service positions within DOD after January 1, 1987.

These two Acts left a group of disenfranchised non-appropriated fund employees who moved, voluntarily or involuntarily, from non-appropriated fund positions to civil service positions. Although many of these moves were technically characterized as voluntary moves, they frequently involved circumstances in which the non-appropriated fund position was being abolished or converted to an appropriated fund position and the actual choice the employees faced was moved to an appropriated fund position or be unemployed.

The National Defense Authorization Act for Fiscal Year 1994, directed the Department of Defense to report on plans to extend the portability of benefits for non-appropriated fund employees. The Department's report, sent to the committee on March 14, 1994, concludes that benefits should not be expanded to this disenfranchised group because neither the number of affected employees nor the cost is known. The committee is disappointed in the Department's cursory review of the issue.

The recommended provision would authorize portability of years of service in non-appropriated fund positions for retirement credit only. The provision would only apply to those personnel currently employed in civil service positions who held non-appropriated fund positions during the period from January 1, 1966 to January 1, 1987. The employees would have a limited period of time in which to apply for the retirement credit and must pay a lump sum payment equal to the employee contribution to the civil service retirement system based on their grade at the time. The committee expects the Department to move expeditiously to promulgate policies and regulations under which this legislation can be implemented. Additionally, the committee directs the Department to report to the Committees on Armed Services of the Senate and the House of Representatives on the status of implementing the portability not later than April 30 each year, until the application process is complete.

Travel, transportation, and relocation expenses of employees transferred to the United States Postal Service

The committee recommends a provision (sec. 335) that would authorize the Department of Defense to pay the cost of travel, transportation, and relocation for employees scheduled for separation when the employee is selected for a position with the Postal Service.

Foreign employees covered by the Foreign National Employees Separation Pay Account

The committee recommends a provision (sec. 336) that would amend section 1581 of title 10, United States Code, to include employees of foreign nations who are employed by a foreign nation for the benefit of the Department of Defense in the category of employees who would be authorized separation pay under that section.

Increased authority to accept voluntary services

The committee recommends a provision (sec. 337) that would amend section 1588 of title 10, United States Code, to expand the areas in which volunteers can provide services in military communities. Under the provision, volunteers would be considered government employees for the purposes of compensation for work-related injuries, tort liability, access to records, and conflict of interest restrictions.

SUBTITLE E-OTHER MATTERS

Change of source for performance of depot-level workloads

Section 341 would amend section 2469 of title 10, United States Code, to require the Secretary of Defense to ensure that any depot-level maintenance workload performed by a depot-level activity of the Department of Defense with a value of \$3.0 million or greater is not changed to performance by a contractor or by another depot-level maintenance activity of the Department of Defense unless the change is made using merit-based selection procedures based upon competition among all DOD depot-level maintenance activities, or competitive procedures, including competition among private and public sector entities.

Civil Air Patrol

Section 342 would reorganize the Air Force liaison with the Civil Air Patrol (CAP). Under this reorganization plan, the Air Force will withdraw most of the active duty personnel detailed to CAP national headquarters, and reimburse the CAP for the cost of maintaining their headquarters staff. This section would also authorize the Secretary of the Air Force to detail retired members as liaison or administrators to the Civil Air Patrol and would provide that these retired members will receive as compensation not more than the difference between their retired pay and the active duty pay and allowances they would receive if ordered to active duty in the grade and rank in which they retired.

This reorganization of the Air Force liaison with the CAP will result in savings in both funding and personnel. However, the committee expects the Air Force to continue its funding of the new CAP national headquarters staffing and operations as an essential foundation for the Civil Air Patrol's continued service to the Air Force and the nation.

Armed Forces Retirement Home

Section 343, discussed elsewhere in this report, would authorize the Secretary of Defense annually to increase the monthly assessment on active duty enlisted members and warrant officers to support the Armed Forces Retirement Home by fifty cents, up to a total of not more than two dollars per month. This section would also authorize the Armed Forces Retirement Home Board to increase the fee structure for residents of the Home, and direct the Board to carry out a study to identify and evaluate alternatives for modernization of the facilities of the United States Soldiers' and Airmen's Home.

Clarification of authority to provide medical transportation under National Guard pilot program

Section 344 would clarify the authority contained in section 376 of the National Defense Authorization Act for Fiscal Year 1993 for the National Guard Bureau to carry out a pilot program to use National Guard personnel in medically underserved communities. This provision would make clear that the authority to provide health care to residents of medically underserved communities includes medical care services, dental care services, and transportation by air ambulance and other transportation for medical reasons.

Armament retooling and manufacturing support (ARMS) initiative loan guarantee program

Section 345 would authorize the Secretary of the Army to carry out a loan guarantee program in connection with the armament retooling and manufacturing support (ARMS) initiative, which was authorized in the National Defense Authorization Act for Fiscal Year 1993. This provision would enable the Secretary to enter into agreements with the Small Business Administration (SBA), the Farmers Home Administration (FmHA), and the Rural Development Administration (RDA), to administer the loan guarantee program.

The ARMS loan guarantee program would follow standard commercial lending practices. It would require participating companies to share any risk exposure by providing approximately 15 percent of the loan amount, with banks providing the remaining 85 percent. The government would place 2 percent in a reserve pool that would be administered by SBA, FmHA or RDA; these government funds would not be expended, but would rather be held in reserve. Banks would make progressive payments of loan amounts as warranted by commercial practice. This loan guarantee program is specifically intended to encourage sound companies which employ large numbers of people to locate in government-owned ammunition plants for commercial purposes.

This section would also extend the authorization for the ARMS initiative through fiscal year 1996.

Reauthorization of Department of Defense domestic and secondary schools for dependents

Section 6 of Public Law 81-874, as amended, currently authorizes the Secretary of Defense to operate elementary and secondary schools for DOD dependents under specific circumstances. The Administration has proposed legislation that would reauthorize the impact aid program while at the same time repealing section 6. Section 346 would provide the authority in title 10, United States Code, for the Secretary of Defense to continue operation of the so-called "Section 6" schools.

Assistance to local educational agencies that benefit dependents of members of the armed forces and Department of Defense civilian employees

Section 347 would authorize a total of \$58.0 million for payments to local school districts heavily impacted by DOD dependents in accordance with the authority contained in section 386 of the National Defense Authorization Act for Fiscal Year 1993.

Disposition of proceeds from operation of Naval Academy laundry

Section 348 would make technical changes to section 6971 of title 10, United States Code, relating to the disposition of proceeds from certain activities at the United States Naval Academy.

Repeal of annual limitation on expenditures for emergency and extraordinary expenses of the Department of Defense Inspector General

Section 349 would remove the statutory ceiling on the Inspector General, Department of Defense, for emergency and extraordinary expenses authority provided in section 361 of the National Defense Authorization Act for Fiscal Year 1994. The removal of this ceiling is consistent with the overall emergency and extraordinary expense authority of the Secretary of Defense. Since funds are made available to the Inspector General within the overall operation and maintenance appropriations, a ceiling on emergency and extraordinary expenses would remain in effect but at a higher subdivision, thereby providing the Inspector General with greater flexibility.

Extension of authority for program to commemorate World War II

Section 378 of the National Defense Authorization Act for Fiscal Year 1993 authorizes the Secretary of Defense to conduct a program to commemorate the 50th anniversary of World War II during fiscal years 1993 through 1995. Section 350 would extend that authorization through fiscal year 1996.

Extension of authority for aviation depots and naval shipyards to engage in defense-related production and services

Section 351 would extend for one year, until the end of fiscal year 1995, the authority provided by section 1425 of the National Defense Authorization Act for Fiscal Year 1991 for naval shipyards and Army, Navy, and Air Force aviation depots to bid on defense-related production and services.

Transfer of certain excess Department of Defense property to educational institutions and training schools

Industrial property that was no longer needed by the Defense Department was loaned to eligible educational institutions and training schools under section 453(a)(7) of title 50, United States Code. This property was typically large industrial machinery that became idle or obsolete for defense purposes in the years following World War II and the Korean War.

Current procedures require that schools ship this property, at their own expense, to a Defense Reutilization and Marketing Office. The schools must also pay for state transfer fees and shipping insurance. These costs often exceed the value of the machinery.

Section 352 would allow DOD to donate certain industrial machinery, which is currently on loan to educational institutions and training schools, directly to those entities when the Secretary of Defense determines that such donation is in the public interest.

Ships' stores

The committee recommends a provision (sec. 353) that would amend section 371 of the National Defense Authorization Act for Fiscal Year 1994 by repealing the provisions which require the Secretary of the Navy to convert the operation of all ships' stores to operation by the Navy Exchange Service Command.

The committee believes that the mandated conversion would result in unintended negative consequences to ships' stores operations and ultimately to sailors and marines who rely on these stores. Ships' stores currently operate as an appropriated fund activity in a totally appropriated fund environment. Conversion to a non-appropriated fund instrumentality will require parallel logistical, financial, and accounting systems. Additionally, it may require shipboard co-mingling of appropriated and non-appropriated funded items, increasing the cost of goods and the complexity of managing the stores while reducing the efficiency of the stores' operations.

Humanitarian program for clearing landmines

Section 306 of the National Defense Authorization Act for Fiscal Year 1994 authorized not more than \$10.0 million in operation and maintenance funds for activities to support the clearing of landmines for humanitarian purposes. Because the widespread dispersal of landmines creates serious dangers for innocent civilians, the committee believes that the Defense Department should continue humanitarian landmine clearing activities.

Therefore, the committee recommends a provision (sec. 354) that would authorize the Secretary of Defense to carry out a program for humanitarian purposes to provide for the instruction, education, training, and advising of personnel of other nations in the various procedures that have been determined effective for detecting and clearing landmines. The provision would specifically direct the Secretary of Defense to ensure that no U.S. military personnel (1) engaged in the physical detection, lifting, or destroying of landmines except in support of U.S. military operations, and (2) provided assistance as part of a military operation that did not involve U.S. military forces. Finally, the provision would authorize not more than \$10.0 million in O&M funds for this purpose in fiscal year 1995.

Assistance to Red Cross for emergency communications services for members of the Armed forces and their families

The committee recommends a provision (sec. 355) that would authorize the Secretary of Defense to reimburse, over a three-year period, from the funds authorized for Defense-wide Activities, the American Red Cross for emergency communication services provided to servicemembers and their families.

In the committee report accompanying the National Defense Authorization Act for Fiscal Year 1994 (S. Rept. 103-112), the committee expressed concern that organizations that provide services to military members and their families are finding it increasingly difficult to provide their services without charge. The committee stated it would review this matter with Department of Defense officials.

The committee believes that the emergency communications services provided to the Department of Defense by the American Red Cross are very important to military readiness and to the welfare of military men and women and their families. The committee believes it is appropriate for the Department to assist the Red Cross during a limited period of time with funding for this service while the Red Cross develops an alternative means of financing these services.

This assistance should not exceed \$14.5 million per year for a period not to exceed three years. If, at the end of the three-year period, the Red Cross cannot provide emergency communication services to the military without funding from the Department of Defense, the Department of Defense should explore other means of providing those services.

Additionally, the committee believes that the Department of Defense should work closely with other non-profit organizations that provide essential services to the military in order to ensure the continued availability of those services.

Enhanced Marine Corps prepositioning initiative

Since the mid-1980s, the Marine Corps has maintained afloat prepositioning in three MPS squadrons stationed worldwide. Volume one of the mobility requirements study (MRS) report recommended augmenting strategic sealift to provide additional support for Army forces, including afloat prepositioning for an armored brigade, and improvements in the Ready Reserve Force (RRF).

The MRS plan for Army sealift forces is an attempt to get additional, more heavily armored units available earlier in a conflict. The Navy is purchasing 19 ships for Army prepositioning and surge shipping. As shown in the table below, the three Marine Corps MPS squadrons consist of 13 ships carrying prepositioned equipment for three Marine Corps expeditionary brigades, including 90 M-1 tanks.

The Marine Corps has developed a proposal to buy an additional ship for each MPS squadron that would carry up to an additional 28 tanks and other support. This would result in a total of 16 Marine Corps MPS ships carrying up to 174 tanks. The committee believes that other features of the MPS enhancement proposal are also attractive. The extra ship per MPS squadron would also allow the Marine Corps to outfit each squadron with an expeditionary airfield, additional Navy construction battalion equipment, a fleet hospital, and additional supplies to sustain the force.

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The committee recommends an additional \$220.0 million in the National Defense Sealift Fund to purchase two ships and convert them for use in the MPS program. This will provide a significant capability at a very reasonable cost. The committee also recommends a provision (sec. 356) that would permit the Department to purchase up to three used, foreign-built ships to be converted in U.S. shipyards for the enhanced maritime prepositioning force.

TITLE IV-MILITARY PERSONNEL AUTHORIZATIONS

End strengths for active forces

The committee recommends a provision (sec. 401) that would authorize active duty end strength levels for fiscal year 1995 as shown below:

	Fiscal year 1994 authorization	Fiscal year 1995 request	Fiscal year 1995 recommendation
Army:			
Total	540,000	510,000	510,000
Officer	88,855	82,300	82,300
Navy:			
Total	480,800	441,641	441,641
Officer	62,747	60,490	60,490
Marine Corps:			
Total	177,000	174,000	174,000
Officer	18,440	17,977	17,977
Air Force:			
Total	425,700	400,051	400,051
Officer	84,970	77,740	77,740
Total:			
Total	1,623,500	1,525,692	1,525,692
Officer	254,739	238,507	238,507

The committee's recommendation supports the Administration's request and is consistent with testimony received regarding the end strengths necessary to support the assumptions on which the Bottom-Up Review was based. With this in mind, the committee directs the Department of Defense and the Military Departments to cease under-funding the military personnel accounts and recruiting end strengths that are lower than those authorized unless recruiting to the authorized end strengths would require a Service to lower its standards for recruit quality.

Extension of temporary variation of end strength limitations for Marine Corps majors and lieutenant colonels

The committee recommends a provision (sec. 402) that would extend through fiscal year 1998, the temporary increase in the number of Marine Corps officers authorized to serve in the grades of major and lieutenant colonel that was included in the National Defense Authorization Act for Fiscal Year 1994. During fiscal years 1996 through 1998, the Marine Corps would be authorized the number of majors and lieutenant colonels that are authorized for fiscal year 1995.

The committee recognizes that the current grade tables may not reflect the recruiting and retention environment in which the Department of Defense finds itself today. Nonetheless, the committee remains reluctant to address permanent changes to the grade tables in a piecemeal fashion and does not understand the Defense Department's reluctance to address this matter in a comprehensive manner.

The committee will consider permanent adjustments to the grade tables when it receives from the Department of Defense the report on officer personnel management systems required by section 502 of the National Defense Authorization Act for Fiscal Year 1993.

Retention of authorized strength of general officers on active duty in the Marine Corps for fiscal years after fiscal year 1995

The committee recommends a provision (sec. 403) that would modify section 526(a)(4) of title 10, United States Code, to permit the Marine Corps to retain the current number of 68 general officers serving on active duty after October 1, 1995.

In the statement of managers accompanying the conference report on the National Defense Authorization Act for Fiscal Year 1994 (H. Rept. 103-357), the Senate conferees recognized the difficulties the Marine Corps and the Navy have experienced in providing officers to fill general and flag officer joint staff positions because of the grade ceilings on the number of general and flag officers. The conference report noted that the Senate conferees would consider providing relief in this area if the Marine Corps and the Navy analytically defined the problem and recommended a responsible solution.

The recommended provision reflects the analysis provided by the Marine Corps and the Department of the Navy. It would permit the Marine Corps to maintain an appropriate level of participation in joint and external positions without precluding the Marine Corps from filling key positions internal to the Marine Corps. The committee notes that, at the current level of 68 general officers, the Marine Corps maintains the fewest number of general officers per servicemember (1:2,558) of all the Services by a substantial margin. Service in joint billets is required by the Goldwater-Nichols Defense Reorganization Act of 1986 and is a prerequisite for assignment and promotion, especially at upper grade levels.

The committee intends that the Marine Corps maintain at least seven general officers assigned to joint positions at all times.

Exemption from grade accountability of certain four-star general and flag officer positions

Four years ago, Congress authorized the President to designate up to six positions within the Joint Staff to be exempt from the prescribed ceiling on the number of lieutenant generals and vice admirals that may serve on active duty in a military service.

That legislation was intended to encourage competition among the military Services to nominate their best officers to fill key positions on the Joint Staff and to provide the Chairman of the Joint Chiefs of Staff greater flexibility in selecting officers for those positions. That legislation was also based upon the expectation that all of the military Services would compete for each of those key positions. Thus far, the committee's expectation appears to have been met, and the committee has been pleased with the quality of officers nominated and selected for those positions. The Chairman and Vice Chairman of the Joint Chiefs of Staff were previously exempted from the grade ceiling for four-star general and flag officers.

The committee believes that there are even stronger reasons for exempting the combatant commanders from the prescribed ceiling. One of the most significant aspects of the Goldwater-Nichols Defense Reorganization Act of 1986 was to place clear responsibility on the combatant commanders for the accomplishment of their missions and to ensure that the authority of those commanders is fully commensurate with their responsibility. The operational chain of command runs from the combatant commanders to the Secretary of Defense. Last year the President approved a recommendation of the Secretary of Defense to expand the responsibilities of the Commander in Chief, Atlantic Command, and to remove the specified combatant command status from Forces Command, the last specified combatant command. That decision led to the end of the practice of reserving some combatant commander positions for a particular military Service. The committee has been assured in testimony by the Chairman of the Joint Chiefs of Staff that each combatant commander position would be open to competition to all nominees from the Services. It is absolutely essential that the combatant commander positions are filled by the best qualified officers available for those positions, regardless of their military Service. One of the best ways to achieve that result is to ensure that all the Services nominate officers for the combatant commander positions without regard to grade limitations.

The committee is aware that the current number of three-star general and flag officer positions exceeds the number of officers who may serve in such grades under current law after October 1, 1995.

Accordingly, the committee recommends a provision (sec. 404) that would exempt the combatant commanders (CINCs), the Deputy Commander in Chief of the U.S. European Command (CINCEUR), and the Commander, U.S. Forces Korea (COMUSFK) from the ceiling for grades above major general or rear admiral for a test period of three years. The exemption in each instance would be conditioned on the positions being filled by four-star officers and, in the case of the Deputy CINCEUR, on CINCEUR also serving as Supreme Allied Commander, Europe (SACEUR). The reason for the latter condition is that SACEUR must spend a substantial amount of his time at NATO headquarters dealing with alliance matters. The position of COMUSFK is exempted because he serves concurrently as Commander in Chief, United Nations Command and Commander in Chief, Combined Forces Command. The provision would not allow an

exemption unless each Service nominated an officer for the position. In other words, an officer from the Army, Navy, Marine Corps and Air Force must be nominated and considered for each of the four-star positions.

The Chairman of the Joint Chiefs of Staff is not in the chain of command and does not exercise military command over the combatant commanders. The President, however, has directed that communications between the President and the combatant commanders shall be transmitted through the Chairman. The Secretary of Defense has assigned to the Chairman responsibility for overseeing the activities of the combatant commands. These actions were taken pursuant to subsections 163(a) and (b) of title 10, United States Code. Additionally, the Chairman serves as the spokesman for the combatant commanders, especially on the operational requirements of their commands. In light of the Chairman's special responsibilities with the combatant commanders, as well as others, the committee believes that the Chairman merits special status in relation to the selection of the combatant commanders. The provision recommended by the committee would allow the Chairman of the Joint Chiefs of Staff to nominate an officer to the Secretary of Defense for appointment as a combatant commander even though that officer has not been nominated by a Service Secretary. This special nominating authority would also be for a test period of three years.

This provision would result in exempting eleven four-star positions from the grade ceilings established for that grade. This means that the number of authorized three- and four-star positions would be increased by eleven. This does not, however, increase the overall ceiling for flag and general officers.

The Department currently has eleven more joint three-star positions than could be filled after October 1, 1995 without this provision. This provision would allow all of those joint three-star positions to be filled. The committee directs that these additional three-star authorizations be used to fill joint three-star positions and that the Department of Defense use the flexibility provided by section 525(c) of title 10, United States Code, to ensure that each of the four Services could compete for these joint positions without regard to grade ceilings.

Should the Department choose to elevate any existing three-star positions to four-star positions, the committee will subject such a decision to careful scrutiny with a view towards eliminating one or more of the exemptions this provision would provide if the justification is not compelling.

As noted above, the combatant commander positions are now open to nominations from each of the Services. Unfortunately, the traditional patterns of filling these positions have not really changed. The Army always fills the CINCEUR/SACEUR; Commander in Chief, Special Operations Command (CINCSOC); and Commander in Chief, Southern Command, (CINCSOUTH) positions and fills the Commander in Chief, Central Command (CINCCENT) position on a rotating basis with the Marine Corps. The Navy always fills the Commander in Chief, Pacific Command (CINCPAC) and Commander in Chief, Atlantic Command (CINCUSA, formerly CINCLANT) positions and fills the Commander in Chief, Strategic Command (CINCSTRAT) position on a rotating basis with the Air Force. The Air Force always fills the Commander in Chief, Transportation Command (CINCTrans) and Commander in Chief, Space Command (CINCSpace) positions. The committee expects these traditional patterns to change as a result of this provision. The committee hopes that the Chairman of the Joint Chiefs of Staff does not have to exercise the special authority it is recommending during this test period. However, it expects him to do so if the Services are not nominating the very best officers available for each position. The committee also expects the Services to nominate the very best officers for key three-star positions, including the deputy CINC positions, and the traditional patterns to end for those positions. If these traditional patterns do not end, there will be no reason to extend these grade relief provisions beyond the three-year test period.

Temporary adjustment to the distribution of commissioned officers on active duty in flag officer grades

The committee recommends a provision (sec. 405) that would amend section 525 of title 10, United States Code, to provide that an officer who retired in the grade of admiral (if recalled to active duty, nominated by

the President, and confirmed by the Senate for appointment to the grade of admiral while serving as the Superintendent of the United States Naval Academy) would not count against the number of officers authorized to be on active duty in the grade of admiral (O-10) while so serving.

End strengths for Selected Reserve

The committee recommends a provision (sec. 411) that would authorize Selected Reserve end strength levels for fiscal year 1995 as shown below:

	Fiscal year 1994 authorization	Fiscal year 1995 request	Fiscal year 1995 recommendation
Army National Guard	410,000	400,000	400,000
Army Reserve	260,000	242,000	242,000
Naval Reserve	118,000	100,710	109,000
Marine Corps Reserve	42,200	42,000	42,000
Air National Guard	117,700	115,581	115,581
Air Force Reserve	81,500	78,706	78,706
Coast Guard Reserve	10,000	7,000	8,000
Total	1,039,400	985,997	995,287

The recommended increase in Naval Reserve end strength is based again this year on the absence of compelling justification for the 15 percent reduction in Naval Reserve end strength proposed by the Department of Defense. The committee report on the National Defense Authorization Act for Fiscal Year 1994 (S. Rept. 103-112) directed the Secretary of Defense to submit to the Committee by March 31, 1994, a report on a study of the roles and missions of the Naval Reserve. The Department did not provide this report to the committee in sufficient time to be considered prior to mark-up. Therefore, the committee encourages the Secretary of the Navy to consider delaying the implementation of force structure decisions that predate the report, "The Future Naval Reserve: Roles and Missions, Size and Shape", until the Secretary of the Navy has assured the Committees on Armed Services of the Senate and the House of Representatives that these decisions are consistent with the conclusions and recommendations of the report (i.e., the retention of CVWR-30 and the retention of 10 reserve maritime patrol aircraft (VP) squadrons). Additionally, the committee has directed the Navy to maintain the capability to lift 2.5 Marine Expeditionary Brigades (MEBs), as required by the Bottom-Up Review. The Navy is directed to expand its reliance on the Naval Reserve by implementing a "nesting" concept for an adequate number of tank landing ships to sustain the 2.5 MEB goal. The committee, therefore, is reluctant to authorize further reductions in the Naval Reserve until

the Department can demonstrate that the recommended reductions are based on sound analysis and a rational assessment of the future roles and missions of the Naval Reserve.

The committee believes that a 30 percent reduction in the authorized Coast Guard Reserve end strength during fiscal year 1995 would unnecessarily disrupt and adversely affect Coast Guard capabilities. Therefore, the recommended increase in the Coast Guard Reserve end strength would allow the Coast Guard Reserve to reduce its authorized end strength by 20 percent during fiscal year 1995 while using the various statutory transition provisions to minimize involuntary separations.

End strengths for reservists on active duty in support of the reserves

The committee recommends a provision (sec. 412) that would authorize reserve full-time support end strength levels for fiscal year 1995 as shown below:

	Fiscal year 1994 authorization	Fiscal year 1995 request	Fiscal year 1995 recommendation
Army National Guard	24,180	23,650	23,650
Army Reserve	12,542	11,940	11,940
Naval Reserve	19,718	17,510	17,510
Marine Corps Reserve	2,285	2,285	2,285
Air National Guard	9,389	9,389	9,389
Air Force Reserve	648	648	648
Total	68,762	65,422	65,422

Authorization of training student loads

The committee recommends a provision (sec. 421) that would authorize active and reserve average military training loads as shown below:

	Fiscal year 1994 authorization	Fiscal year 1995 request	Fiscal year 1995 recommendation
Army	75,220	69,420	69,420
Navy	45,269	43,064	43,064
Marine Corps	22,753	25,377	25,377
Air Force	33,439	36,840	36,840
Total	176,681	174,701	174,701

Increase in appropriations for military personnel

The committee recommends a provision (sec. 431) that would authorize \$70,790,397,000.00 to be appropriated for military personnel in fiscal year 1995. This is an increase of \$315,000,000.00 to the amount requested by the Department of Defense, and is provided to take into account actions recommended elsewhere in this Act.

Repeal of required reduction in recruiting personnel

The committee recommends a provision (sec. 441) that would repeal section 431 of the National Defense Authorization Act for 1993. Section 431 limits the number of personnel carrying out recruiting activities after September 30, 1994. The committee believes that repealing section 431 would assist the military Services in conducting the recruitment programs necessary to maintain a robust military in an increasingly difficult recruiting environment.

Reduction in permanent change of station moves

The committee recognizes that the continuing military force drawdown has created personnel turnover and caused permanent change of station (PCS) moves which would not otherwise have been required. The committee is concerned, however, that the 800,000 PCS moves for which the Department of Defense has budgeted almost \$3 billion for fiscal year 1995 is excessive. The committee has, therefore, reduced the funds authorized for appropriation by \$200 million in fiscal year 1995, intending that this \$200 million be taken from PCS moves accounts.

The Department of Defense should review the frequency at which servicemembers of all grades experience PCS moves and, to the extent possible without adversely affecting readiness, reduce that frequency. In doing so, the Department of Defense would benefit from increased stability and generate significant cost savings.

TITLE V-MILITARY PERSONNEL POLICY

Service on successive selection boards

The committee recommends a provision (sec. 501) that would authorize the Secretary of the military department concerned to approve officers to serve as members of successive selection boards convened under section 628 of title 10, United States Code, for the consideration of officers of the same competitive category and grade if the second board does not consider the same officer or officers as the first board.

Promotion and other career management matters relating to warrant officers on active-duty lists

The committee recommends a provision (sec. 502) that would amend chapter 33A of title 10, United States Code, concerning the personnel management of warrant officers, to make certain sections in the chapter consistent with provisions applicable to commissioned officers other than warrant officers. The provision would also apply the sections in chapter 33A to retired warrant officers who are recalled for active duty.

Section 626 of title 10, United States Code, concerning commissioned officers above the grade of chief warrant officer, W-5, provides that an officer appointed to a higher grade is considered to have accepted such an appointment on the date on which the appointment is made unless the officer expressly declines the appointment. Section 626 also provides that an officer who has served continuously since the officer subscribed to the oath required by section 3331 is not required to take a new oath upon appointment to a higher grade. The provision recommended by the committee would add virtually identical provisions for warrant officers.

Section 576(f)(1) of title 10, United States Code, indicates that after the Secretary's review, unless the Secretary returns the report of a promotion board for corrective action, the Secretary must submit the report as required by section 576(e), i.e., to the Secretary of the military department concerned. Read literally, the last sentence in section 576(f)(1) requires the Secretary to submit the report to himself. The provision would strike that sentence.

Under section 580 of title 10, a warrant officer who has twice failed of selection for promotion to the next higher regular warrant officer grade shall be retired if retirement eligible or separated from active duty. This provision would amend section 580 to permit a warrant officer to remain on active duty if the officer is within two years of qualifying for retirement at the time the officer would otherwise be separated, rather than at the time the Secretary approves the selection board report.

The provision would make retired warrant officers who were recalled to active duty without a break in service prior to the effective date of the Warrant Officer Management Act (February 1, 1992) subject to chapter 33A.

Enlistment or retirement of Navy and Marine Corps limited duty officers having twice failed of selection for promotion

The committee recommends a provision (sec. 503) that would establish the same right to achieve retirement eligibility for limited duty officers of the Navy and Marine Corps that now exists for those officers who are not designated for limited duty and for warrant officers. It would provide clear authority for enlistment in a grade determined by the Secretary if a limited duty officer, having twice failed selection, was not within two years of achieving retirement eligibility. Also, it would terminate the current option of reversion to warrant officer grade now provided in section 6383 of title 10, United States Code.

Educational requirements for appointment in reserve components in grades above first lieutenant or lieutenant junior grade

The committee recommends a provision (sec. 504) that would modify section 596 of title 10, United States Code, to authorize the acceptance of college credits and degrees from non-accredited schools for the purpose of meeting the degree requirement of section 596 if at least three accredited schools accept such credits.

Limited exemption to educational requirements for certain Alaska Army National Guard officers

The committee recommends a provision (sec. 505) that would exempt year-round Alaska Native residents who are officers in the Alaska Army National Guard serving in Eskimo Scout units or Eskimo Scout supporting units from the requirement to obtain a baccalaureate degree in order to advance above the grade of lieutenant.

The Alaska Army National Guard Eskimo Scouts are a unique unit. Eskimo Scout officers are seasoned, experienced leaders who live in remote rural communities in the Alaskan bush. Colleges or other academic facilities which offer baccalaureate degree programs are not accessible to residents of these rural communities. This provision would only apply to Alaska Army National Guard officers who are year-round Alaska Native residents and serve in Eskimo Scout units or units which directly support Eskimo Scouts. Should an officer elect to leave a Scout battalion, moving to a community that offers post-secondary education, he or she would then be required to meet the same educational requirements that all other National Guard officers must satisfy.

Review of opportunities for ordering individual reserves to active duty with consent

The committee recommends a provision (sec. 511) that would require the Secretary of Defense to increase the opportunities for individual members of the reserve components to be called to active duty with their consent to serve during peacetime in positions traditionally filled by active duty personnel in support of peacetime requirements.

The committee believes that "accessibility" as it pertains to reserve component forces is a two-way street. Much of the focus is on the authority of the President to call up reserve component forces and the statutory limitations on such a call-up. An equally important-and frequently neglected-aspect of accessibility is the ability of reserve component personnel to serve voluntarily during peacetime in positions traditionally filled by active duty personnel. Reserve component personnel represent a tremendous resource that, if given the opportunity, can greatly assist the Department of Defense in many areas, especially as the Department implements the active duty force drawdown programs. Examples include reserve component environmental lawyers assisting in difficult base closure and conversion negotiations; reserve component personnel filling

meaningful joint or service staff positions when the active duty incumbents are on leave, ill, or temporarily assigned to other duties; and reserve component personnel augmenting operations centers as watchstanders during domestic emergencies. In this regard, the Department of Defense should maintain a continuous effort to identify peacetime positions in which members of the reserve components could serve if called to active duty with their consent, and then make these positions available to them.

This provision would require the Secretary of Defense to review the opportunities for individual members of the reserve components to be called to active duty with their consent to serve in positions traditionally filled by active duty personnel; remove as necessary any regulatory impediments to increasing these opportunities; and require the Secretary of Defense to report the results of the review to the Committees on Armed Services of the Senate and the House of Representatives within 90 days of enactment of this act. This report should include a plan for increasing the opportunities for individual members of the reserve components to serve on active duty with their consent in support of domestic and international operational commitments as well as any legislative actions necessary to enhance the Department's ability to increase these opportunities for members of the reserve components.

Increased period of active duty service for Selected Reserve forces mobilized other than during war or national emergency

The committee recommends a provision (sec. 512) that would extend the initial call-up period for reserve components from 90 days to 180 days, and require that any extension of the call-up period receive the express, prior approval of the Congress.

The provision would not modify or reduce the President's authority to declare a national emergency and mobilize reserve forces under other provisions of section 672 and 673 of title 10, United States Code, nor would it permit delegation of the call-up authority to someone other than the President.

The committee was disappointed that the Department of Defense's report on reserve accessibility did not address in a substantive manner the possible effects of extending the call-up period on recruiting, retention, employer support, and families. Therefore, the provision would also require the Secretary of Defense to submit a report to the Committees on Armed Services of the Senate and the House of Representatives that addresses options for increasing the accessibility of the reserve components and that analyzes the effects of each option on recruiting, retention, employer support, and families by April 1, 1995.

Repeal of obsolete provisions pertaining to transfer of regular enlisted members to reserve components

The committee recommends a provision (sec. 513) that would repeal obsolete provisions pertaining to the retired reserve.

Review of certain dismissals from the United States Military Academy

The committee recommends a provision (sec. 521) that would require the Secretary of the Army to review two cases in the post-Civil War era involving dismissals from the United States Military Academy. James Webster Smith, the first African American appointed to West Point, was dismissed in 1874. John Chestnut Walker, the third African American appointed to West Point, was dismissed in 1882. According to historical accounts, both individuals met academic and physical requirements, but faced extreme racial prejudice from their classmates.

The provision recommended by the committee would require the Secretary of the Army to conduct a thorough review of the proceedings and to determine whether the proceedings were tainted by racial prejudice or other improper factors. The provision would authorize the Secretary of the Army to make appropriate corrections in the military records of these individuals. The provision also would authorize the President, based upon the Secretary's review, to grant posthumous commissions to these individuals.

Promotion to the grade of major general or rear admiral in the Army Medical Corps, the Navy Staff Corps, and among Air Force officers designated to perform certain professional functions

The committee recognizes that, traditionally, the grade of the head of a specialist corps (medical corps, nurse corps, etc.) determines the highest officer grade to which members having that specialty may be

promoted. For example, because the Chief of the Army Nurse Corps is a brigadier general, Army nurses are not considered for promotion to major general. This is true in other specialist corps and in the other Services.

The committee believes, however, that specialists like nurses should be considered for promotion to major general or rear admiral to the extent that there are major general positions in their Department that they, if determined to be the best qualified by a promotion board, could fill regardless of their specialty.

The Secretaries of the Military Departments shall review the promotion practices in their Department to ensure that members of the specialist corps are not unnecessarily precluded from competing for promotion to the grade of major general or rear admiral.

Review of departmental policy regarding the service of members of the Sikh religion in the armed forces

A fundamental tenet of the Sikh religion is that its adherents keep all hair on their bodies intact. From 1973 until 1981, the Army granted personal appearance waivers to bona fide members of the Sikh religion, allowing them to serve in the military with beards and unshorn but neatly groomed hair. In 1981, the Army discontinued granting these waivers.

The Army's primary reason for precluding waivers involved the difficulty in applying a gas mask over facial hair. The committee notes that the Department has not reevaluated the basis for this policy since 1984, and that advances in technology may make it possible to develop a gas mask that is compatible with the tenets of the Sikh religion and military requirements.

The committee directs the Department of Defense to review Departmental policy regarding personal grooming waivers for bona fide members of the Sikh religion and report the results of that review to the committee not later than 180 days after enactment of this Act.

Air Force Reserve associate program

As the military services reduce their active duty force structure and face sharp reductions in procurement, the committee encourages the Services to explore programs to maximize the use of both existing equipment and personnel. The committee believes that the Air Force Reserve associate program is one such program that could be expanded into other areas.

Currently, thousands of Air Force Reserve personnel in six associate wings fly and maintain active component aircraft such as the C-5, C-141, and C-9. Many analysts believe the associate concept could be expanded into the fighter mission area.

The committee directs the Secretary of the Air Force to evaluate the potential benefit of expanding the Air Force Reserve associate program into the fighter mission area. The evaluation should include the effect of expanding the program on fighter combat capability; fighter readiness; ability to surge for contingencies or war; and cost.

The committee directs the Secretary of the Air Force to submit a report on this evaluation to the Committees on Armed Services of the Senate and the House of Representatives not later than May 1, 1995. The report shall include the results of the evaluation; the usefulness of the associate concept in the fighter mission area; an analysis of cost savings; and a recommendation of whether to implement the associate program in the fighter mission area.

Sexual harassment and abuse study

The committee supports recent efforts within the Department of Defense to address the problem of sexual harassment and abuse, particularly that which is directed against women in the military Services. The Secretaries of the military departments and the Service chiefs have continually reaffirmed their commitment to continuing the Defense Department's progress in this area.

The committee notes that the Secretary of Defense has directed the Under Secretary of Defense for Personnel and Readiness and the Secretary of the Air Force to form an ad hoc committee to develop a sexual harassment plan for DOD.

The committee encourages the ad hoc committee to develop recommendations for the Services to establish comprehensive methods of tracking and analyzing progress made in this area. A uniform, comprehensive system of measurement would provide the Services an opportunity to perform self- and comparative assessments, and enable the efficient and effective allocation of resources in this area.

The committee intends to conduct vigorous oversight of the problem of sexual harassment in the military and looks forward to receiving the recommendations of the ad hoc committee.

Morale, welfare, and recreation (MWR) support for Naval Air Station Glenview

The statement of managers accompanying the National Defense Authorization Act for Fiscal Year 1994 (H. Rept. 2401) directed the Secretary of the Navy to devise a plan for utilization of morale, welfare, and recreation (MWR) facilities that support the Great Lakes Naval Training Center. These facilities include the family and housing area of Naval Air Station Glenview, an installation to be closed as a result of the Base Realignment and Closure Commission's actions in 1993.

The committee appreciates the efforts promulgated by the Secretary of the Navy, the village of Glenview, Illinois, and the Glenview Park District to ensure that those servicemembers and their families who are assigned quarters at Naval Air Station Glenview are afforded the opportunity to enjoy MWR or similar facilities. All property at Naval Air Station Glenview will be disposed of by the Navy except the family housing area. The Navy expects to transfer title for the golf property to the village of Glenview for equivalent value as agreed to by the village and the Navy. Equivalent value can be in either in-kind services, cash payments, or a combination of both. These services will be used to support MWR quality of life programs for military family members that reside in the Glenview area.

Proper care for these family members also requires the reinstatement of a child development center at the Glenview family housing area previously authorized in the National Defense Authorization Act for Fiscal Year 1991. The committee directs the Secretary of the Navy to reinstate this project in the budget request for fiscal year 1996 or through other action.

Appropriated fund support of MWR activities

The committee has clearly stated, in previous legislation and committee reports, that appropriated fund support of morale, welfare, and recreation (MWR) activities is limited solely to those activities that are essential in meeting the organizational objectives of the military services, such as fitness facilities and libraries which support the physical and mental wellbeing of the servicemember. Other MWR activities are not to be supported by appropriated funds, including using military personnel in a duty status to staff these activities.

The committee is aware of several instances in which it is alleged that different standards have been applied to reserve component forces, especially during annual training, than those applied to active forces and installations. The committee expects the MWR policies and regulations to be implemented consistently across the force, including the reserve components.

The committee directs the Under Secretary of Defense for Personnel and Readiness to review the regulations, procedures, and practices in the military departments, including reserve component annual training sites, to ensure that appropriated support to MWR activities is proper and consistent. The Under Secretary of Defense is directed to report the results of the review and any necessary corrective actions to the Committees on Armed Services of the Senate and the House of Representatives within 120 days of enactment of this Act.

Establishment of the first armed forces recreation center in the continental United States

The committee commends the Department of Defense and the Department of the Army for the establishment of Shades of Green, the first armed forces recreation center within the continental United States. This endeavor represents the finest tradition of the military taking care of its own at no cost to the American taxpayer. The Army Community and Family Support Center has demonstrated keen foresight in positioning this morale-building benefit for a defense force that will be increasingly based in the United States, and displayed great tenacity in pursuing a quality recreational opportunity for all ranks, especially junior enlisted grades.

Since 1945, the Defense Department has provided armed forces recreation services to our troops overseas. The popularity and value of their services to morale and readiness have long been recognized and

documented. Providing this service in the United States demonstrates both foresight and a caring attitude by Army leadership.

Since opening its doors in February 1994, Shades of Green has provided lodging for over 70,000 servicemembers and their families. Thousands of meals have been served. Over 74 percent of the rooms for the coming year have already been reserved. More than 200,000 military family members will have the opportunity this year to visit Shades of Green. The Armed Forces Recreation Center, United States, truly marks a major milestone in the history of the Defense Department morale, welfare, and recreation program.

Second destination transportation

The committee has long recognized its responsibility to ensure that servicemembers and their families overseas receive the necessary support. As a part of this effort, Congress annually appropriates funds for "second destination" transportation or the transportation of military exchange products to overseas locations. These funds are intended to provide our military personnel and their dependents stationed overseas American products at prices comparable to prices charged in the United States.

The Department of Defense has not adequately funded second destination transportation over the last several years. For fiscal year 1994, the projected shortfall is \$14 million; for fiscal year 1995, the budgeted shortfall is even greater. The committee expects the Department of Defense to submit a report by January 15, 1995, to the committee addressing the causes of past underfunding and the actions being taken to correct this problem.

TITLE VI-COMPENSATION AND OTHER PERSONNEL BENEFITS

Military pay raise for fiscal year 1995

Section 1009 of title 37, United States Code, requires an adjustment in elements of military compensation to become effective during fiscal year 1995. The committee recommends a provision (sec. 601) that would waive this adjustment and increase the rates of basic pay, basic allowance for subsistence, and basic allowance for quarters of members of the uniformed services by 2.6 percent, effective January 1, 1995.

Extension of certain authorities

The committee recommends provisions (secs. 611 and 613) that would amend sections 308b(f), 308c(e), 308h(g), and 308i(i) of title 37, United States Code, to extend the authority to pay bonuses for (1) enlistment, reenlistment, or affiliation with the Selected Reserve, (2) enlistment, reenlistment, or extension of an enlistment in the Ready Reserve other than the Selected Reserve, and (3) enlistment in the Selected Reserve of individuals with prior service.

The recommended provisions would also amend section 301b(a) of title 37, United States Code, to extend the authority to pay a retention bonus to aviation career officers extending their period of active duty for at least one year; amend section 308(g) of title 37, United States Code, to extend the authority to pay a reenlistment bonus to active duty service members who reenlist or who extend their enlistment in a regular component of the service concerned for at least three years; amend section 308a(c) of title 37, United States Code, to extend the authority to pay an enlistment bonus to a person who enlists in an armed force for at least four years in a skill designated as critical; amend section 308d(c) of title 37, United States Code, to extend the authority which permits the payment of additional compensation to enlisted members of the Selected Reserve assigned to high priority units, so designated by the Secretary concerned because that unit has experienced or reasonably might be expected to experience critical personnel shortages; amend section 2172(d) of title 10, United States Code, to extend the authority which permits the repayment by the Secretary concerned of educational loans of health professionals who serve in the Selected Reserve and who possess professional qualifications in a health profession that the Secretary of Defense has determined to be needed critically in order to meet identified wartime combat medical skill shortages; amend section 613(d) of the

National Defense Authorization Act for Fiscal Year 1989 (37 U.S.C. 302 note) to extend the authority which permits payment of special pay to a health care professional who is qualified in a specialty designated by regulation as a critically short wartime specialty and who agrees to serve in the Selected Reserve for at least one year; and amend sections 312(e), 312b(c), and 312c(d) of title 37, United States Code, to extend the authority to pay certain bonuses to attract and retain top quality nuclear career officers.

Extension and modification of certain bonuses and special pay for nurse officer candidates, registered nurses, and nurse anesthetists

The committee recommends a provision (sec. 612) that would extend the authority to pay (a) a nurse accession bonus, (b) incentive special pay to military certified registered nurse anesthetists, and (c) a nurse officer candidate accession bonus.

This provision would also increase annual incentive special pay for military certified registered nurse anesthetists to a maximum of \$15,000 so that the Department can effectively compete for this critical professional resource. At present, certified registered nurse anesthetists can earn far more as civilians than as military personnel, and the compensation gap continues to increase.

Responsibility for preparation of transportation mileage tables

The committee recommends a provision (sec. 621) that would transfer responsibility for maintaining the official table of distances from the Secretary of the Army to the Secretary of Defense, and allow the Secretary of Defense to delegate this authority to the Director of the Per Diem, Travel, and Transportation Allowance Committee.

Clarification of calculation of retired pay for officers who retire in a grade lower than the grade held at retirement

The committee recommends a provision (sec. 631) that would preclude commissioned officers from receiving retired pay in a grade higher than the grade in which they were retired.

Crediting of reserve service of enlisted members for computation of retired pay

The committee recommends a provision (sec. 632) that would provide equitable treatment, in comparison to officers, for enlisted members retiring after 20 or more years (or during the force drawdown transition period, 15 or more years) by authorizing credit for inactive duty performed while a member of a reserve component.

Forfeiture of annuity or retired pay of members convicted of espionage

The committee recommends a provision (sec. 633) that would prohibit an individual, or his or her survivor or beneficiary, from being paid an annuity or retired pay on the basis of the service of the individual creditable towards the annuity or retired pay if the individual was convicted of violating article 106(a)(Espionage) of the Uniform Code of Military Justice.

Eligibility of members retired under temporary special retirement authority for Serviceman's Group Life Insurance

The committee recommends a provision (sec. 641) that would authorize Serviceman's Group Life Insurance (SGLI) for members of the retired reserve of a uniformed service who (1) have not reached the first increment of their retired pay, or (2) have reached age 61 and have completed at least 15 years, but less than 20 years of service, creditable towards retirement.

When the Congress enacted the transition benefits for the reserve components, an unintended consequence was that coverage under the SGLI program was denied to those reservists who separated under the early retirement authority. This provision would authorize SGLI coverage for those reservists who accept early retirement as a result of downsizing of the reserve components.

Annual payments for members retired under Guard and reserve transition initiative

The committee recommends a provision (sec. 642) that would modify the special transition program of annual payments for reservists authorized by section 4416 of the National Defense Authorization Act for Fiscal Year 1993 as amended. The provision would revise the current program of five annual payments to authorize from one to five such payments. The provision would provide for a prorated payment to a member entitled to an annual payment that is due just prior to the member's 60th birthday. The provision would conform the annual payment with other separation pays by requiring the full amount of any annual payment received to be repaid by reduction from the member's retired pay, travel, transportation, and relocation expenses of employees transferred from the Department of Defense to the Postal Service.

Increased eligibility and application periods for troops-to-teachers program

The committee recommends a provision (sec. 643) that would ensure that, notwithstanding any other provision of law, servicemembers discharged or released from active duty after October 1, 1990, who meet all other eligibility requirements, are eligible to participate in the troops-to-teachers program described in section 1151 of title 10, United States Code. Additionally, individuals who were previously considered ineligible for this program because they were discharged or released from active duty prior to the formal establishment of this program on January 19, 1994, would have one year from the date of enactment of this Act to apply for the program.

Congress authorized the troops-to-teachers program in section 4441 of the National Defense Authorization Act for Fiscal Year 1993 to help servicemembers affected by the defense drawdown gain employment in educational activities. Although the initial date of eligibility was established as October 1, 1992, the Secretary of Defense was authorized to accept applications for this program from individuals who were discharged or released from active duty after October 1, 1990. Subsequently, the Congress, in section 1331 of the National Defense Authorization Act for Fiscal Year 1994, further expanded the coverage of members by allowing members to apply for the program within one year after discharge or release from active duty.

The Congress did not envision it would take the Department of Defense until January 19, 1994, to implement this program. Nor did the Congress envision that this delay would result in the exclusion of servicemembers affected by the drawdown from participating in the program.

Assistance for eligible members to obtain employment with law enforcement agencies

The committee recommends a provision (sec. 644) that would authorize the Secretary of Defense to enter into an agreement with the Attorney General to establish or participate in a program to assist certain members and former members of the armed services to obtain employment with law enforcement agencies.

Treatment of retired and retainer pay of members of cadre of Civilian Community Corps

The committee recommends a provision (sec. 645) that would clarify the intent of Congress concerning compensation for retired military members employed by the National Civilian Community Corps. The provision would entitle retired military members employed by the National Civilian Community Corps to receive their full military retired pay without reduction in addition to any additional amount received from the National Civilian Community Corps.

Disability coverage for officer candidates granted excess leave

The committee recommends a provision (sec. 651) that would amend section 1201 of title 10, United States Code, by including certain members not entitled to basic pay (officer candidates) among those who receive physical disability coverage.

Use of exchanges and morale, welfare, and recreation facilities by members of reserve components and dependents

The committee recommends a provision (sec. 652) that would amend section 1065 of title 10, United States Code, to authorize retired members of the Selected Reserve to use Department of Defense exchanges and other revenue-generating morale, welfare, and recreation facilities.

The provision would permit members of the Selected Reserve in good standing (as determined by the Secretary concerned) who would be eligible for retired pay under chapter 67 of title 10, United States Code, but for the fact that they are under 60 years of age, and the dependents of such members, to use Department of Defense exchanges and other revenue-generating morale, welfare, and recreation facilities.

Special supplemental food program

The committee recommends a provision (sec. 653) that would authorize the Secretary of Defense to provide special supplemental food benefits to members of the armed forces stationed overseas, and to eligible civilians serving with, employed by, or accompanying servicemembers overseas.

Reimbursement for certain losses of household effects caused by hostile action

The committee recommends a provision (sec. 654) that would authorize the Secretaries of the military departments to reimburse servicemembers for the loss of household goods sustained during a permanent change of station move when the loss is caused by hostile action incident to war or a warlike action by a military force.

COLA equity

The committee is deeply concerned about the inequity between the delays in cost of living adjustments (COLAs) for military and civil service retirees caused by the Omnibus Reconciliation Act of 1993 (OBRA of 1993).

Before changes in COLA dates were enacted in 1993, permanent law called for COLAs to be paid to military and civil service retirees on January 1 of each year. Military and civil service retirees have received COLAs of identical percentages on identical dates since 1969. Under the terms of OBRA of 1993, this longstanding equality will end in 1995 unless this inequity is corrected by the Congress this year.

In 1993, the Budget Resolution adopted by the House of Representatives contained reconciliation instructions that assumed approximately equal savings of \$4 billion over five years from both military and civil service retirement. The Budget Resolution adopted by the Senate contained no reconciliation instructions requiring savings from either military or civil service retirement. The conference report on the Concurrent Resolution on the Budget for Fiscal Year 1994 contained reconciliation instructions requiring savings in both military and civil service retirement.

The statement of managers accompanying the conference report indicated the assumptions underlying the savings required from each committee. In the conference report, savings of \$2.4 billion were assumed from military retirement, but the assumed civil service retirement savings were only \$350 million. No specific means of achieving these savings are assumed in a Budget Resolution.

To carry out these reconciliation instructions, the Budget Resolution assigned deficit reduction targets for military retirement to the Armed Services Committees of the Senate and the House of Representatives. The savings from civil service retirement were included in the instructions to the Committee on Governmental Affairs in the Senate, and to the Committee on Post Office and Civil Service of the House of Representatives.

The actual changes in law required to achieve these savings were included in OBRA of 1993. The Armed Services Committees achieved their required savings from military retirement by delaying COLAs for military retirees for three months in 1994 and for nine months in 1995, 1996, 1997 and 1998. The total savings from military retirement was \$2.358 billion.

COLAs for civil service retirees were only delayed by three months for 1994, 1995, and 1996 and were not delayed at all in 1997 or 1998. The total savings in OBRA of 1993 from delaying civil service retirement COLAS was \$788 million. This was twice the amount that had been assumed in the Budget Resolution, but only one-third the amount of savings required from military retirement, even though annual civil service retirement outlays exceed military retirement outlays.

As a result, OBRA of 1993 delays COLAs for military retirees for six months beyond the date on which civil service retiree COLAs are paid in 1995 and 1996. In 1997 and 1998, the additional delay for military

retirees grows to nine months. In 1999, both military and civil service COLAs will once again be paid in January.

The committee notes that this discrepancy in COLA delays does not result from the failure of any committee of jurisdiction to achieve its deficit reduction target. The discrepancy was inherent in the targets themselves.

The committee recognized this discrepancy last year and recommended that the Congress correct this inequity. In its report of June 10, 1993, transmitting its legislation to delay military retirement COLAs to the Budget Committee, the committee stated:

The members of the Armed Services Committee are concerned that the required reductions in military retirement spending will result in greater COLA delays for military retirees than for other federal retirees. COLA equity for all federal retirees should be a basic principle and we urge the full Senate and the conferees on the Reconciliation Bill to take this into consideration.

No such correction was made last year. This spring, in the report accompanying the Senate version of the Concurrent Resolution on the Budget for Fiscal Year 1995, the Senate Committee on the Budget stated that "the existing discrepancy between the cost-of-living delay schedules for military and civilian federal retirees" should be addressed and urged the executive branch to cooperate with the Congress in identifying the savings necessary to offset the cost of equalizing the COLA dates.

Although the committee is unaware of any efforts the executive branch may have made to address this problem, during its mark-up proceedings, the committee considered three basic approaches for equalizing the dates on which military and civil service retiree COLAs are paid.

The first alternative was the one contained in section 631 of H.R. 4301, the National Defense Authorization Act for Fiscal Year 1995, as passed by the House of Representatives on June 9, 1994. The House bill would provide for an earlier COLA date for military retirees in 1995 in the event that an act appropriating funds to the Department of Defense for fiscal year 1995 transfers sufficient funds to the military retirement trust fund.

The Congress would have to cut at least \$376 million from the amounts requested for defense by the President for fiscal year 1995 in order to generate the funds needed to offset the cost of moving the 1995 military retirement COLA from October to April. Additional defense cuts would be necessary in 1996, 1997, and 1998 to correct the discrepancies in COLA dates in those years, if this approach were also adopted for those years.

This alternative would be deficit-neutral, but it would set a troubling precedent by cutting defense funds, which are discretionary spending, in order to fund a retirement COLA, which is entitlement spending. The committee is concerned about the potential long-term danger to the budget process that could result from the precedent of weakening the pay-as-you-go system by allowing entitlement programs to be funded under the already restrictive discretionary spending caps.

The current pay-as-you-go process requires increases in entitlement spending in one program to be funded by reducing spending in another entitlement program or by raising revenues. The committee is concerned that the approach contained in the House bill would set a precedent under which, in 1995 and all future years, the defense budget could be cut to fund increases in any entitlement program, not just changes in military retirement.

The second alternative considered by the committee was to further delay civil service retirement COLAs to offset the cost of advancing military retirement COLAs. This approach would equalize the COLA dates for military and civil service retirees by moving the military retirement COLA date forward three months in 1995 and 1996 while moving the civil service COLA date back three months. In 1997 and 1998, the military retirement COLA date would be moved forward five months while the civil service COLA date would be moved back four months.

This alternative would correct the inequity in COLA dates and would not increase the deficit. It would reduce spending in one entitlement to fund an increase in another entitlement, as provided for in the pay-as-you-go procedures set up by the Budget Enforcement Act of 1990, without requiring additional reductions in already scarce defense resources and without setting new budget precedents.

The third alternative was to leave civil service COLAs unchanged and equalize the COLA dates by simply advancing the date the military retirement COLA is paid by adding the cost to the deficit.

The committee carefully considered these alternatives and by a vote of 13 to 8 recommended that a committee amendment be offered during floor consideration of this Act that would equalize the COLA dates for military and civil service retirees by moving the dates for military retiree COLAs forward and the dates for civil service COLAs back in each fiscal year from 1995 through 1998. Because this second alternative involves adjustments to civil service retirement, which is under the jurisdiction of the Committee on Governmental Affairs, the members of the Armed Services Committee did not believe it was appropriate to adopt such an alternative in the Armed Services Committee mark-up.

Report on establishing a cost-of-living allowance for members of the uniformed services assigned to high cost areas

The committee received testimony in support of a proposal to establish a new entitlement for a cost-of-living allowance for members of the uniformed services assigned to high cost areas within the continental United States. The committee notes this proposal was not included in the Administration's legislative request.

Supporting documents submitted to the committee raised a number of significant questions. In light of the lack of detailed information concerning the proposal, the committee directs the Secretary of Defense to study the concept of a CONUS COLA and submit a report to the Committees on Armed Services of the Senate and the House of Representatives not later than April 1, 1995.

The report shall include a detailed analysis and recommendations on the following:

- (1) the method(s) by which the Secretary of Defense would determine the non-housing cost indices;
- (2) how the Secretary of Defense would determine the threshold;
- (3) how the presence of exchange facilities, commissaries, and medical facilities will be factored into the cost indices for different locations;
- (4) what non-housing related costs would be used in developing the cost indices;
- (5) what features would be in place to avoid uncontrolled growth in the future;
- (6) the advisability of limiting the allowance to enlisted personnel only;
- (7) the potential effect on the base closure and realignment (BRAC) process when an installation is located in an area designated as high-cost for the purposes of this allowance.

Recoupment of military pay for uncompleted periods of obligated military service

The statutes governing military personnel policy authorize a variety of special pays, bonuses, educational assistance, and other benefits that are provided in whole or in part before an individual completes a required period of obligated military service. At least 19 separate provisions of law concern such benefits. These provisions have different standards and procedures for determining: (1) whether such advance pay and benefits constitute a debt if the individual fails to complete a period of obligated military service, (2) if so, the amounts that may be recouped by the government, and (3) the authority to waive any such debt in whole or in part.

The different standards and procedures have led to administrative inconsistencies and loss of funds owed to the United States. The committee directs the Secretary of Defense to review these statutes and provide a report to the Committees on Armed Services of the Senate and the House of Representatives not later than February 1, 1995, including recommendations for changes in regulations and proposed legislation to provide for greater uniformity, efficiency, fairness, and protection of the interests of the government with respect to the administration of these statutes.

Excluding moving allowances from taxation

The committee notes with approval the Internal Revenue Service ruling issued on May 15, 1994 which clarifies that military moving allowances can be excluded from gross income for tax purposes. The temporary lodging allowance, temporary lodging entitlement, dislocation allowance, and moving-in allowance are intended to offset expenses incurred incident to permanent change of station moves and relieve a financial burden on the servicemember. The committee agrees that these allowances should not be subject to taxation and that members of the armed services who receive the allowances should not be permitted to deduct moving expenses to the extent that the expenses are reimbursed by the allowances.

TITLE VII-HEALTH CARE PROVISIONS

Revision of definition of dependents for purposes of health benefits

The committee recommends a provision (sec. 701) that would authorize coverage in the military health care system for individuals placed in the home of a servicemember or former servicemember by a placement agency for the purposes of adoption. The provision would also make the new category of "dependents" eligible for CHAMPUS as well as military treatment facility care.

Dental care for family members overseas

The committee recommends a provision (sec. 702) that would direct the Secretary of Defense to establish a dental benefits program for military family members overseas.

The committee is concerned about continued reports of a lack of access to adequate dental care for families accompanying servicemembers overseas. Access is particularly difficult during this period of force drawdown. Earlier this year, the Acting Assistant Secretary of Defense (Health Affairs) traveled to Europe to understand firsthand the problems experienced by military families. Representatives of the Army Dental Corps and the office of the Army Inspector General made a similar visit. The committee is aware that DoD is attempting to deal with medical and dental care access problems overseas, and views the series of recent high-level visits as evidence of the seriousness with which these concerns are held.

The committee also recognizes that the nature of access problems varies across the Services depending on location and that initiatives are under consideration to enhance the capability of the direct care system to accommodate family members overseas. The committee remains concerned, however, that efforts to increase access to dental care in military clinics alone will not be adequate in numerous locations, particularly in Europe and the Pacific, to accommodate the demand by family members. Additionally, the current policy does not recognize that many military families have dependents who remain in the United States to attend school or for other reasons, or that some families plan dental care around scheduled trips to the United States. Therefore, the provision recommended by the committee would expand eligibility for dependent dental plan to family members overseas, thereby affording those families the ability to draw upon the dependent dental plan where they deem it necessary.

Because of the well-documented dental care access problems experienced by military families overseas, the committee expects the Department to begin immediately to phase-in the overseas dependent dental benefit. The following guidelines will ensure a timely phase-in:

- (1) By 90 days following the enactment of this Act, the committee expects the Department to have modified all existing contracts and systems, as necessary, and to have begun to offer the benefit overseas.

Additionally, the Department should begin allowing those deploying overseas to continue dental coverage if the military member chooses, and to permit those already overseas to renew coverage.

(2) By 180 days following the enactment of this Act, the committee expects the Department to have provided the necessary direction to the dependent dental plan contractor who will have begun to place English-speaking dentists in military dental clinics overseas. The committee recognizes that the initial priority will be those areas in which military families are experiencing the greatest problems receiving adequate dental care.

The committee directs the Department to report on the status of program implementation to the committees of jurisdiction at the 90- and 180-day points as well as one year from date of enactment of this Act. The committee's action supports initiatives to increase the capability of the direct dental care system and ensures that military families are able to use the insurance and delivery provisions of the dependent dental program when the direct care system is unable to meet their dental care needs.

Authorization for medical and dental care of abused dependents of certain members of the uniformed services

The committee recommends a provision (sec. 703) that would authorize medical and dental care of abused dependents of members of the uniformed services who are administratively discharged from a uniformed service due to a conviction under military or civil law relating to the abuse of the dependent. Under present law, only those abused dependents of servicemembers who have been discharged as a result of a court-martial for the related abuse are provided access to medical and dental care for treatment of injuries or illness resulting from the abuse.

Reimbursement methodology for CHAMPUS services for certain retired members and dependents under the age of 65

The committee recommends a provision (sec. 704) that would provide equitable reimbursement procedures for those cases in which CHAMPUS is the secondary payer to Medicare for active duty dependents and retired members and their dependents under the age of 65.

Under current law, a CHAMPUS beneficiary who is classified as fully disabled for two years under Social Security standards has Medicare as a primary payer and CHAMPUS as a secondary payer. In all other instances in which CHAMPUS is the secondary payer, CHAMPUS covers the amount not covered by the primary payer up to the allowable charge as long as neither the provider nor the beneficiary receive double payment. Together, the full cost of the medical procedure can be covered. However, when CHAMPUS is the secondary payer to Medicare for disabled dependents and retirees under the age of 65, CHAMPUS can only pay its allowable charge to the extent it exceeds Medicare coverage. The result of this discrepancy can be substantial out-of-pocket costs for beneficiaries.

The committee believes the provision provides needed, equitable relief for CHAMPUS beneficiaries who currently lose their CHAMPUS coverage before the normal conversion point at 65 years of age.

Expanded use of partnership and resource sharing programs for improved cost-effectiveness

The committee recommends a provision (sec. 705) that would authorize the Defense Department to pay for state licenses for Department of Defense health care providers when it is in the government's best interest to do so. Such providers must obtain a state license specifically to practice in civilian facilities under the Department of Defense external partnership program.

Chiropractic health care demonstration

The committee recommends a provision (sec. 706) that would require the Department of Defense to conduct a chiropractic health care demonstration.

The committee continues to be deeply concerned that, despite the committee's strong support for commissioning chiropractors in the military, the Department of Defense has failed to comply with recommendations of the committee to undertake a demonstration project.

The provision would require the Department of Defense to contract a limited number of chiropractors at major military treatment facilities to test and evaluate the effect of chiropractic health care services over a

three-year period. An oversight advisory committee, which would include representatives of the Assistant Secretary of Defense for Health Affairs; the Surgeons General of the Services; the General Accounting Office; and representatives of the chiropractic health care profession, would assist the Secretary in the design, planning, implementation, and evaluation of the project. The committee recommends that the Department consider representatives from the following chiropractic health care associations when selecting members of the oversight advisory committee: the Foundation for Chiropractic Education and Research; Council for Chiropractic Education; Congress of Chiropractic State Associations; Association of Chiropractic Colleges; and Federation of Chiropractic License Boards.

The committee intends that the Department conduct a demonstration that will make chiropractic health care available to military beneficiaries and will provide an opportunity to evaluate the benefit of chiropractic care to the military health care system. The results of this demonstration should provide a basis for determining the future of chiropractic care in the military health care system.

Authority to conduct health care surveys of families of retired members

The committee recommends a provision (sec. 707) that would allow the Defense Department to consider all persons receiving health care under chapter 55 of title 10, United States Code, as employees of the United States for the purpose of conducting surveys to determine the availability of health care services to such persons, their familiarity with facilities and services provided, their health, and their level of satisfaction. Currently, the Department has the authority to survey active duty members, their families, and retired members regarding their health care. This provision would permit the Department to include the family members of retirees in a survey.

Establishment of a special Medicare enrollment period for certain military retirees and dependents and payment of late enrollment penalty

The committee recommends a provision (sec. 708) that would establish a special enrollment period for certain Medicare-eligible military retirees and their dependents. The provision would also direct the Department of Defense to pay the penalty for late enrollment in Medicare Part B coverage in base closure areas.

Military retirees age 65 and over are covered by Medicare. Those retirees who live adjacent to military bases may not have elected to participate in Medicare Part B for outpatient care because space-available care is available in the military treatment facility. When a base is identified for closure, these retirees find themselves with no outpatient coverage. Medicare-eligibles may apply for Part B coverage during an annual general enrollment period; however, they are assessed a steep late penalty. This provision would establish a special Medicare Part B enrollment period for Medicare-eligible retirees affected by the closure of a military treatment facility. Additionally, the provision would require the Department of Defense to pay the penalty for late enrollment. The provision would limit the eligible population to those retirees over 65 years of age who have never been enrolled in Medicare Part B and have continuously maintained a primary residence within 65 miles of the closing treatment facility since attaining age 65.

Eligibility for participation in demonstration programs for sale of pharmaceuticals

The committee recommends a provision (sec. 709) that would ensure that Medicare-eligible retirees who formerly relied upon a military treatment facility that has been closed or realigned continue to have some pharmaceutical benefit. This provision would not create a new entitlement or encourage individuals who have an entitlement, but have not chosen to exercise it, to begin using it.

Persian Gulf syndrome

Shortly after the end of the Persian Gulf War, the committee became concerned that U.S. military personnel who served in the Persian Gulf theater of operations might be suffering from illnesses related to their experience in Operations Desert Shield and Desert Storm. At that time, attention was focused on the possible health effects of exposure to the smoke and fumes from the massive oil well fires that Iraqi forces deliberately set. Therefore, in order to monitor the health effects of this exposure, the National Defense

Authorization Act for Fiscal Years 1992 and 1993 directed the Department of Defense to establish a registry of all U.S. military personnel in the theater of operations during Operation Desert Storm who may have been exposed to smoke from oil well fires.

Within a year after the end of the conflict, reports surfaced of health problems affecting many veterans of the war. Symptoms included joint pain, fatigue, headaches, decreased short-term memory, rashes, painful burning muscles, sleep disorders, and diarrhea. The Department of Defense and the Department of Veterans' Affairs were slow to respond to this illness, prompting veterans and active duty military personnel to seek treatment outside the DOD and VA medical community.

Before Operation Desert Storm, coalition forces strongly believed that Iraqi forces would use chemical and biological weapons in a desert war. Iraq had used chemical weapons indiscriminately during the Iran-Iraq war, not only against Iranians, but against Kurds as well. Coalition forces undertook an array of defensive measures, including an air campaign against all known chemical and biological weapons sites, to disrupt Iraq's ability to use its chemical and biological weapons arsenal and to signal to Iraqi military leaders that it would be in their interest to disobey any orders from Saddam Hussein to use these weapons.

The committee received no indication from the Department of Defense during or after the Persian Gulf conflict that Iraqi forces used either chemical or biological warfare agents or that coalition forces discovered any stocks of chemical or biological agents. However, reports began to surface in the summer of 1993 that chemical warfare agents, both nerve gas and mustard agent, were detected at low levels in the Saudi theater of operations during the opening days of the air war against Iraq. Czechoslovakian military units assigned to Saudi forces made these detections. Through an exhaustive investigation by members of this committee, the committee learned that French forces in Saudi Arabia made additional detections of chemical warfare agents. The committee has also received anecdotal reports from a variety of U.S. servicemen concerning the detection of chemical warfare agents in Saudi Arabia during the air campaign and the discovery of chemical warfare agents in bunkers by U.S. forces during the land campaign.

The committee notes that the presence of chemical agents in the theater of operations during the Persian Gulf War was detected by the Czechoslovakian chemical units and reported to the U.S. Central Command headquarters. However, the origin of these chemical warfare agents cannot be determined. The committee has received no conclusive evidence of an Iraqi missile or artillery attack using chemical warheads.

The committee also believes that, although a direct connection between the existence of low levels of chemical agents in the theater of operations and the Persian Gulf syndrome cannot be established based on the information available at this time, such a connection cannot and should not be discounted.

The committee is encouraged by recent efforts by the Department of Defense to determine not only the causes of but also a regimen of treatment for the mysterious illness. It appears that the Department of Defense, the Department of Veterans' Affairs, and the Department of Health and Human Services are now working together toward a common goal. For example, a National Institutes of Health Technology Assessment Workshop on the Persian Gulf Experience and Health was held in April 1994. A Defense Science Board task force, under the direction of Dr. Joshua Lederberg, will soon report on several aspects of this issue, including its review of all available intelligence and reports of chemical or biological agent detection during the Persian Gulf conflict; all scientific and medical evidence relating to exposure to nerve agents at low levels and possible long-term health effects that might have resulted from such exposure; and its review of the potential health consequences resulting from low level chemical exposure, environmental pollutants, Kuwaiti oil fires, endemic biologics, and other health hazards. Finally, the Department of Defense has begun to examine all those Persian Gulf veterans who are in the DOD Persian Gulf veterans health surveillance system.

The National Defense Authorization Act for Fiscal Year 1994 included \$2.9 million for studies to investigate the possible causes of the Gulf War syndrome. Section 270 authorized \$1.2 million to support research on exposure to hazardous agents and materials by military personnel who served in the Persian Gulf War. Section 271 authorized \$1.7 million to support research on exposure to depleted uranium by military personnel who served in Operations Desert Shield and Desert Storm. Unfortunately, only \$725,000 of this funding was included in the Department of Defense Appropriations Act for Fiscal Year 1994. Despite this level of funding, the Army has been able to initiate several investigations into the cause and treatment of this undefined illness.

The committee recommends an additional \$2.0 million to expand this research, under the direction of Walter Reed Army Medical Center, in three areas: (1) \$900,000 to establish a dedicated evaluation and treatment test center for the Persian Gulf Syndrome in the Department of the Army; (2) \$700,000 for infectious disease detection and treatment to support follow-up research of the LMF/Touro infirmary study

and to continue investigation into leishmaniasis as a possible cause of the syndrome; (3) \$400,000 for continued research into the effects of depleted uranium.

Despite efforts to encourage Gulf War veterans who are suffering from symptoms related to the Gulf War syndrome to register with the Department of Defense and the Department of Veterans' Affairs, an accurate estimate of those stricken with this disease is not available. The committee directs the Department of Defense to undertake the following actions: First, establish a centralized telephone referral service so that anyone who served in the Persian Gulf theater of operations during the Persian Gulf War, regardless of current status, can call at no charge and receive current, specific information about treatment and benefits available, procedures for access to such treatment and benefits, and the nearest appropriate medical facilities to which the caller should report for assistance. Second, contact the nearly 700,000 veterans of Operations Desert Shield and Desert Storm and enquire about their dates of service and location of service, any symptoms related to Gulf War syndrome, treatment sought and received, and illnesses of family members.

Additionally, the committee is concerned that military physical evaluation boards are in many instances denying service connection or awarding extremely low disability ratings in the absence of a case definition for the Gulf War mystery illness. The committee strongly encourages the Secretary of Defense to establish a procedure by which individuals who served in the Persian Gulf theater of operations and who, prior to the establishment of the necessary case definition, are found unfit for service by a military physical evaluation board for reasons that could be related to the Gulf War illness, will be automatically reevaluated upon establishment of that case definition.

Automated medical record capability in the medical information system

Section 734 of the National Defense Authorization Act for Fiscal Year 1994 authorized the Secretary of Defense to include an automated medical record in the medical information system. The provision also required the Secretary to develop a plan to test the use of automated medical records at one or more military medical facilities. The committee received the Department's test plan; however, there was no indication that the Department intended to conduct the test.

The committee directs the Department to implement its plan and test the use of automated medical records at one or more military medical facilities in fiscal year 1995. The committee further directs the Department to notify the Committees on Armed Services of the Senate and the House of Representatives when the test will begin and where the test will be conducted. The committee also directs the Secretary of Defense to submit a report on the results of the test, making recommendations for integrating automated medical records into the medical information system.

Navy undersea medicine

Last year, the committee was concerned that Navy undersea medicine could be gradually losing its ability to support critical Navy missions due to neglected training, research, and operational support. The committee is concerned that erosion of the undersea medicine community and the universities that support the program may be accelerating.

Based on the Navy's assessment of the situation, the committee recommends an additional \$600,000 in operation and maintenance funding and an additional \$600,000 in military personnel funding to support occupational training, research training, and technical support.

The committee directs the Navy to continue funding these initiatives in future years' budgets.

TITLE VIII-ACQUISITION POLICY, ACQUISITION MANAGEMENT, AND RELATED MATTERS

Congressional earmarking

The committee recommends a provision that would establish clear congressional policy that Department of Defense contracts and grants shall be awarded on the basis of merit and not on the basis of legislative earmarking.

Continuation of reporting requirement on non-competitive awards to colleges and universities

The committee recommends a provision that would continue an annual reporting requirement on the awards of contracts and grants to universities through other than competitive procedures. The committee believes that open reporting of non-competitive awards is one of the most effective mechanisms for limiting the practice of university earmarking. The committee is therefore deeply concerned that the Defense Department has failed to submit the annual reports for 1992 and 1993, and expects them to be submitted immediately.

Procurement technical assistance program centers

In 1984, the committee first authorized funding for the creation of the procurement technical assistance program. This program supports a network of centers that provide technical assistance to firms interested in selling products or services to the Department of Defense. Under the program, the Department of Defense provides partial funding to support such centers with recipients being private non-profit organizations, state or local governments, or tribal organizations.

The committee recommends an authorization of \$12.0 million to continue the procurement technical assistance program in fiscal year 1995. The committee also recommends specifying that \$600,000 of the amount authorized for this program be available exclusively for centers operated by tribal organizations providing services to a distressed area.

Mentor protege program

The committee has closely followed the implementation of the mentor protege program. After an initial slow start due to lack of implementation personnel and other problems, the program has begun to show impressive results. The committee is pleased that the budget request included an adequate amount for the program, but surprised that it had been funded from the RDT&E account. The committee recommends the requested amount of \$50.0 million but recommends a provision that moves the authorization from the RDT&E account to the procurement account where the Congress has traditionally funded the program.

The committee also recommends a provision that would prohibit the obligation and expenditure of certain funds until the Secretary of Defense has issued regulations pertaining to the implementation of the mentor protege program.

Historically black colleges and universities and minority institutions

The committee is gratified that the Administration has included \$15.0 million for historically black colleges and universities and minority institutions (HBCU/MI) in its budget request. The Administration has taken a serious new interest in the program and has planned reforms that will improve the program.

The committee has been assured that the Defense Department will soon issue a modified broad area announcement for fiscal year 1994 that has been discussed with many of the presidents of the colleges and universities concerned and that will be more attuned to the common needs of the Department of Defense and the colleges and universities eligible for grants under the program. The committee urges the Department to take note of the recommendations of the presidents of the HBCU/MI institutions regarding the need to establish centers of excellence in needed disciplines.

The committee commends the Administration for its interest in this program and urges it to complete its fiscal year 1994 competition at the earliest possible date.

The committee is aware that the interests of the Department of Defense and the institutions involved converge primarily in the areas of the physical sciences and engineering. With this in mind, the committee urges the Department to ensure that its competitive process is open to those institutions that are setting up undergraduate science centers of excellence that concentrate on computer science, environmental science, the physical sciences, and engineering, especially those that support the education of minority women in these disciplines.

The committee recommends an authorization of \$35.0 million for the HBCU/MI program and directs the Administration to ensure that all minority institutions that meet the statutory qualifications for this program have an opportunity to compete for these funds.

Extension of test program for negotiation of comprehensive small business subcontracting plans

Section 834(e) of the National Defense Authorization Act for Fiscal Years 1990 and 1991 established a test program to determine whether the negotiation and administration of comprehensive small business subcontracting plans would result in an increase in opportunities for small business concerns under Department of Defense contracts. The provision authorized the use of comprehensive plans to be tested in one contracting activity in each military department and defense agency. The test authority is scheduled to expire on September 30, 1994.

Because of delays in establishing the program and negotiating comprehensive plans, the Department has not had an adequate opportunity to test and evaluate the use of comprehensive plans. The Committee believes that this is an important initiative that fits well into the acquisition reform agenda of the Department of Defense. Accordingly, the committee recommends a provision that would extend the current program to September 30, 1998.

National defense technology and industrial base

The committee remains disappointed that it has yet to receive the national defense technology and industrial base assessment and plan as required by section 4218 of the National Defense Authorization Act for Fiscal Year 1993. The lack of comprehensive information of the type required to be submitted is a serious impediment to addressing industrial base considerations in the congressional budget process.

The need for comprehensive information on the national defense technology and industrial base is urgent. The industries supporting national security are involved in active restructuring at an ever increasing pace. That process may be largely completed within the next few years, rendering congressional action irrelevant after that point. At present, the committee has been approached in piecemeal fashion by a number of industries requesting funding for programs based on technology and industrial base considerations. The absence of a comprehensive assessment denies the committee the ability to determine the merits of such proposals. It also undercuts committee efforts to resist earmarks based on industrial and technology base concerns for specific industry programs.

In an April 12, 1994 letter to Senator John McCain, the Principal Deputy Assistant Secretary of Defense for Economic Security indicated that the Department was "developing an on-going capability which will improve Department decision-making and allow [the Department] to provide timely reports in the future." No timeframe for the submission of the assessment and plan has been provided, however. The committee, therefore, prohibits the Secretary of Defense from obligating or expending any of the funds authorized in PE 65104D until the annual national defense technology and industrial base assessment and plan has been submitted to the Committees on Armed Services of the Senate and the House of Representatives.

Industrial mobilization

At the request of the Administration, the committee recommends a provision that would clarify 10 U.S.C. 2538 regarding industrial mobilization authority during wartime. The provision would restore language inadvertently stricken in a rewrite of the section in the National Defense Authorization Act for Fiscal Year 1994. The provision would allow the President to delegate industrial mobilization orders to the heads of the cabinet agencies rather than solely to the Secretary of Defense. This clarification would restore the Federal Emergency Management Agency authorities of the Departments of Commerce and Treasury.

Permanent authority for the Department of Defense to share equitably the costs of claims under international armaments cooperative programs

Section 843 of the National Defense Authorization Act for Fiscal Year 1993 authorizes the Defense Department to pay its share of an international armaments cooperative program's claims in accordance with the program's cost-sharing formula or in accordance with any other equitable formula that is negotiated by the participants. This authority expires at the end of fiscal year 1994.

The committee believes that this authority facilitates cooperative project agreements between the United States and friendly foreign countries. Therefore, it recommends a provision that would extend the authority provided by section 843 indefinitely.

Determinations of public interest under the Buy American Act

Section 2533 of title 10, United States Code, prohibits the Defense Department from procuring foreign-made goods unless adequate consideration is given to a series of factors (e.g., the bids of U.S. small businesses, the U.S. balance of payments, and the cost of shipping foreign-made goods). The committee recommends a provision that would add several factors to the series in section 2533. With these additional factors, section 2533 would require the Defense Department to weigh a balanced set of considerations that reflects current defense acquisition practices.

Acquisition policy concerning termination of cable television services

Cable television systems have been installed at virtually all major military installations. The treatment of the agreements concerning the provision of these services, as a matter of acquisition policy, has varied widely within the Department of Defense. In some instances, particularly in the Air Force, these agreements have been treated as contracts subject to the Federal Acquisition Regulation (FAR). Under Part 49 of the FAR, when a contract is terminated, the contractor may recover certain amounts that the contractor invested to facilitate performance of the contract. This provision has particular significance with respect to bases involved in closure or realignment because such circumstances may require termination of the cable television agreement for the convenience of the government.

In some instances, however, particularly in the Army and the Navy, these agreements have not been treated as contracts subject to the FAR. In such circumstances, the military departments have taken the position that the contractor has no right to recover amounts invested to facilitate performance of the contract. In addition, the Navy has included in certain agreements a base deactivation clause, which provides that in the event of base deactivation, the cable TV service provider will not be entitled to any recovery of investment.

The lack of uniformity within the Department of Defense raises important legal and policy questions, particularly in view of the substantial investments that may be required on the part of a contractor as a condition of obtaining a cable TV service agreement. The committee directs the Secretary of Defense to provide the congressional defense committees with a report, not later than September 30, 1994, that addresses the following issues: (1) whether all such agreements are contracts governed by the FAR as a matter of law; (2) if so, whether all such agreements must include a standard termination for convenience provision governing recovery of amounts invested; (3) whether such a provision should be treated as an implied condition of any such agreement; (4) whether it is permissible to include in such an agreement a base deactivation clause which precludes recovery of amounts invested; (5) whether contracts should be reformed in view of the responses to the first four issues; (6) if so, the plan for directing such reformation; and (7) such other guidance on these issues as may be appropriate to govern: (a) future terminations; (b) modifications, extensions, or renewals of existing agreements; and (c) the content of any new agreements.

Expertise on defense trade and international technology

The committee understands that officials in the Office of the Secretary of Defense are considering measures to strengthen the expertise available for Defense Department projects in defense trade and international technology. Policymaking and negotiations in these complex areas would benefit a great deal from the systematic collection and use of a wide range of information. The committee encourages the Department of Defense to study this matter and to pursue cost-effective changes and initiatives.

TITLE IX-DEPARTMENT OF DEFENSE ORGANIZATION AND MANAGEMENT

Assistant Secretaries of Defense

One of the realities of modern government is the need to ensure that the public is kept informed, primarily through the news media. This is particularly true in connection with the deployment of U.S. armed forces into actual or potential trouble spots. A recent acknowledgement of this reality is a statement from the

May 1994 White House white paper, entitled "The Clinton Administration's Policy on Reforming Multilateral Peace Operations":

To sustain U.S. support for UN peace operations, Congress and the American people must understand and accept the potential value of such operations as tools of U.S. interests. Congress and the American people must also be genuine participants in the processes that support U.S. decision-making on new and on-going peace operations.

Traditionally, the Executive branch has not solicited the involvement of Congress or the American people on matters relating to UN peacekeeping. This lack of communication is not desirable in an era when peace operations have become more numerous, complex and expensive.

Although that statement is limited to U.N. peace operations, the need for communications applies to all military operations, particularly in the post-Cold War era, and to a host of other activities of the Department of Defense. With the so-called "CNN factor" ever present, the quality of the Department's communications with the American people takes on even more importance.

The committee notes that the senior public affairs official of the Department is now an assistant to the Secretary of Defense, rather than an assistant secretary of defense as in the past. The committee has studied other agencies, such as the Department of State, which is authorized five Under Secretaries and 20 Assistant Secretaries of State. One of the 20 assistant secretaries is the Assistant Secretary of State for Public Affairs. The Department of Defense is only authorized 3 Under Secretaries, a Comptroller, and 10 Assistant Secretaries of Defense.

The senior public affairs official of the Department has little policy responsibility beyond the sphere of public affairs. That official, however, is responsible for ensuring that policy decisions are adequately articulated to the public and, in so doing, depends upon the cooperation and input from a host of officials within the Office of the Secretary of Defense, the Joint Staff, the Military Departments, the defense agencies, and the combatant commanders.

The Deputy Secretary of Defense has indicated to the committee the need for an additional assistant secretary of defense position for the public affairs function. In view of the critical function that the senior public affairs official performs and the need to enhance the stature of that official within the Department, the committee recommends a provision that would increase the number of assistant secretaries of defense from 10 to 11 so that one of the assistant secretaries could be the Assistant Secretary of Defense for Public Affairs.

Order of succession in the military departments

Current law (10 U.S.C. 3017, 5017, and 8017) provides an order of succession in the event a vacancy occurs in the position of Secretary of a military department. First in order is the Under Secretary, then the Assistant Secretaries, and finally the Chief of Staff. The committee recommends a provision that would place the position of General Counsel of a military department in the order of succession, immediately following the Assistant Secretaries.

Commission on roles and missions of the armed forces

The National Defense Authorization Act for Fiscal Year 1994 established the Commission on Roles and Missions of the Armed Forces to review potential military operations and make recommendations concerning changes in the roles, missions, and functions of the armed forces. The Commission was not, however, specifically requested to review and make recommendations concerning the role of the reserve components.

Accordingly, the committee recommends a provision that would specifically include the National Guard and reserve components in the conceptual framework of the Commission's review, and in the Commission's recommendations on the roles that Congress should assign. Additionally, a new requirement would be added for the Commission to address the roles, missions, and functions of the reserve components within the Total Force.

Reserve Forces Policy Board amendments

The committee recommends a provision (sec. 921) that would amend section 175 of title 10, United States Code, by including a regular officer assigned to the Joint Staff and an officer of the regular Marine Corps in the membership of the Reserve Forces Policy Board. The addition of a member of the Joint Staff would provide an essential communication link on reserve component matters among the Board, the Joint Staff, and the combatant commanders. The provision would also expand the Board membership to include an active component representative of both the Navy and the Marine Corps, providing representation from the active military component of both elements of the Department of the Navy.

The Uniformed Services University of the Health Sciences

The committee recommends a provision (sec. 922) that would prohibit the Department of Defense from closing-or taking any administrative or budgetary actions that would presume the closure of-the Uniformed Services University of the Health Sciences (USUHS).

Congress established USUHS in 1972 and mandated that it graduate not fewer than 100 medical students annually. Additionally, USUHS was directed to establish programs in continuing medical education for military members of the health professions in order to maintain high standards of health care in the military medical services.

Despite the specificity of military medicine, the USUHS contribution to the overall national health care posture, and the tremendous success USUHS has enjoyed since its establishment, efforts are periodically undertaken to terminate USUHS under the guise of cost savings and budget reduction. The committee has reviewed the costs and benefits of maintaining USUHS, and the committee supports keeping USUHS open for the foreseeable future.

The committee notes that USUHS was created by congressional action; therefore, its status should not be altered without congressional action. Administrative procedures outside the legislative process that circumvent this requirement for congressional involvement are inappropriate.

The committee believes that continuing efforts to close USUHS harm the University's ability to attract and retain the high quality faculty appropriate for a medical school of its stature, and should only be undertaken after careful, rigorous analysis and a comprehensive review of the USUHS role in the national health care system.

The committee has restored \$600,000 to the operation and maintenance accounts and \$3.5 million to the research and development accounts of the fiscal year 1995 budget request. The Administration deleted these funds in anticipation of the closure of USUHS.

Joint duty credit for equivalent duty in support of unified, combined, or United Nations military operations

Two years ago, Congress recognized that a number of officers who served in Operations Desert Shield and Desert Storm gained significant experience in joint matters but that such service did not meet the statutory definition of "joint duty assignment." Accordingly, a limited suspension of the requirements of the Goldwater-Nichols Defense Reorganization Act was provided.

Since the Persian Gulf War, U.S. forces have been involved in several military operations in support of unified, combined, or United Nations operations. These operations have extended over a relatively long period of time; have involved combat or combat-related activities; and have often involved not only the integrated employment of land, sea and air forces of the United States to achieve unity of command, but also the integration of the forces of a number of other nations for unity of effort.

It is obvious that a number of officers who have served in these operations have gained significant experience in joint matters. These operations include the provision of humanitarian assistance to Iraqi Kurds in northern Iraq in Provide Comfort; enforcement of a no-fly zone over southern Iraq in Southern Watch; participation in United Nations Operations in Somalia II (UNOSOM II), including the Quick Reaction Force and Task Force Ranger in Continue Hope; the several operations to support or participate in the United Nations Protection Force (UNPROFOR) in the former Yugoslavia, including Provide Promise, Deny Flight, Sharp Guard, Able Sentry, and recent NATO close air support and safe area protection operations. Many of

these operations have been conducted under U.N. auspices and some operations are being conducted under U.N. command, including the command of U.S. forces by a non-U.S. commander. Several operations are being conducted simultaneously.

Accordingly, the committee recommends a provision that would authorize the Secretary of Defense, in consultation with the Chairman of the Joint Chiefs of Staff, to grant full or partial credit for a tour of duty in a joint duty assignment to an officer for service in a position during combat or combat-related military operations under unified, combined, or United Nations operational control in which the officer, as determined by the Secretary, gained significant experience in joint matters.

Antideficiency Act investigations

The treatment of Antideficiency Act violations is a matter of concern to the committee. As of December 31, 1993, 103 Antideficiency Act cases were under investigation in the Department of Defense, with a total of \$917 million in questionable obligations. In one case alone, the allegedly improper obligations exceeded \$208 million.

A 1991 DOD Inspector General report concluded that the Department's investigative and reporting procedures are cumbersome, untimely, and inadequate. As a result, individuals responsible for violations are frequently reassigned, retired, or deceased before they can be held accountable.

Cases reviewed by the committee, and testimony before the Senate Committee on Governmental Affairs, indicate that problems continue in the conduct and review of Antideficiency Act violations. The committee is concerned that insufficient actions have been taken to address this problem.

During mark-up of this Act, the committee considered a proposal that would have required that allegations of Antideficiency Act violations of top-level officials be investigated by the Department's Inspector General; that speedy and independent investigations of all other Department employees and officers be required by the Department's guidance on this subject; and that the Secretary report to the Armed Services Committees of the House of Representatives and Senate with respect to any Antideficiency Act investigations that have taken longer than one year.

The committee determined that legislative action on this matter should be deferred until the committee receives the report of the Advisory Board on the Investigative Capability of the Department of Defense. The Advisory Board, which was established at the request of the Committees on Armed Services of the Senate and the House of Representatives, is considering the full range of issues involving the conduct and review of investigations within the Department of Defense. The committee concluded that the views of the Department's Advisory Panel on the Conduct and Review of Investigations on the process by which the Department conducts Antideficiency Act investigations would be helpful, prior to determining whether legislative action is necessary. The report of the Advisory Board is scheduled to be completed by the end of 1994.

The committee directs the Secretary of Defense to request the Advisory Board, in the context of its overall charter, to give specific attention in its report to the responsibilities of the Inspector General in Antideficiency Act investigations; the extent to which investigations can be conducted in a thorough, prompt, and independent manner; and the means for determining the appropriateness of criminal versus administration sanctions.

53rd Weather Reconnaissance Squadron alternative mission

When the Air Force transferred the hurricane hunter mission to the Air Force Reserve in 1991, part of the mission shift was a requirement for "off season" missions to make best use of the assigned aircraft and crews. Recent experience has shown that conversion to cargo transport is not totally complementary, because of the need to remove mission system equipment from the aircraft. However, the committee understands the aerial refueling mission can be accomplished with a minimum of aircraft reconfiguration. Therefore, the committee recommends aerial refueling as the complementary mission for the 53rd Weather Reconnaissance Squadron.

TITLE X-GENERAL PROVISIONS

Authorization of emergency supplemental appropriations

The committee recommends a provision that would authorize the emergency supplemental appropriations enacted in the Emergency Supplemental Appropriations Act of 1994 for fiscal year 1994 expenses relating to military operations in Somalia, Bosnia, Iraq, and Haiti.

Change in date for submission of mission budget

The committee recommends a provision that would approve the Administration request to delay the date for submission of the future years mission budget until 60 days after the date on which the President's budget request is submitted.

Overseas military end strength

Section 1302 of the National Defense Authorization Act for Fiscal Year 1993 imposed a ceiling, as of September 30, 1996, on the number of U.S. military personnel that could be permanently assigned ashore outside the United States. The ceiling was set at 60 percent of the end strength level of such military personnel on September 30, 1992.

The committee recommends a provision that would repeal section 1302. A worldwide ceiling is an unnecessary limitation on the overseas deployment of U.S. military personnel. The continuing decline in the U.S. defense budget is forcing a dramatic reduction in the U.S. force structure stationed overseas. From September 1991 to September 1996, the number of military personnel assigned overseas is projected to decline by almost 200,000, or about 50 percent. A statutory ceiling is not only unnecessary to achieve this reduction; it could also arbitrarily restrict the flexibility of civilian policymakers and military commanders.

End strength for military personnel in Europe

The committee recommends a provision that would adjust the ceiling on the number of U.S. military personnel permanently stationed ashore in Europe. The end strength ceiling, which is to go into effect on September 30, 1996, would be approximately 100,000. If the President decided to station more than 100,000 military personnel in Europe, he would have to certify to Congress that the number in excess of 100,000 was (1) essential in order to attain U.S. security objectives in Europe, and (2) the minimum number necessary to attain those objectives. In no event could the end strength level exceed 113,000.

Extension and revision of authorities relating to cooperative threat reduction

The budget request included \$400.0 million for cooperative threat reduction with the states of the former Soviet Union. The committee recommends authorization of this amount, subject to program authorities (section 1203) and notification and report requirements (sections 1205 and 1206) specified in the National Defense Authorization Act for Fiscal Year 1994.

The committee notes that the amount requested for this program is identical to the fiscal year 1994 budget request, which in turn matched the amounts provided at Congressional initiative in fiscal years 1992 and 1993. The committee is confident that authorization of \$400.0 million for fiscal year 1995 is merited by near-term opportunities to assist Belarus, Kazakhstan, Russia, and Ukraine with denuclearization and demilitarization. The committee is also confident that these activities will promote U.S. national security interests. At the same time, the committee believes that the Department of Defense should develop a comprehensive, multiyear strategy for cooperative threat reduction with the countries of the former Soviet Union. The committee therefore requests that subsequent budget submissions for this program be made pursuant to such an overall strategy.

Defense cooperation between the United States and Israel

The committee recommends a provision that would express the support of Congress for continued cooperation between the United States and Israel in military and technical areas, particularly theater missile defense systems. The provision would urge the removal of unnecessary barriers to further collaboration between the two countries in order to maintain Israel's qualitative edge over potential adversaries in

conventional weapons and theater missile defenses. The committee also recognizes that U.S. national security interests, such as the nonproliferation of weapons of mass destruction, must limit cooperation in certain technical areas.

Military-to-military contacts and comparable activities

The Commander in Chief of the U.S. European Command has conducted a military-to-military contacts program since fiscal year 1992 to assist the military forces of the newly democratic countries of Eastern Europe and the Baltics to understand the appropriate role of military forces in a democratic society. Last year, Congress authorized and appropriated \$10.0 million to continue the program for one additional year with a view towards deciding on the permanent scope and level of the program.

The committee is impressed with the achievements of the European Command's program. The committee realizes that the U.S. National Guard and reserves have played a key role in the European Command's program. These personnel are able to make unique contributions to the program by virtue of their citizen-soldier status and their dual skills from both the military and civilian sectors. The "Partnership State" program, in which state Guard units have established ongoing relationships with the military of smaller nations participating in the program, such as the South Carolina Guard with Albania and the Michigan Guard with Latvia, is particularly excellent.

The committee strongly supports military-to-military contacts and similar activities that are designed to promote the democratic orientation of the defense establishments and military forces of other countries and believes that the program has sufficiently matured to make it permanent, to extend it to other regions of the world, and to provide a statutory underpinning. A note of caution is warranted, however, with respect to this program. This program has to be limited in its scope and must not be expanded into humanitarian assistance, civic assistance, or security assistance activities. Although the committee strongly supports the program and its aims, it will not countenance its use to carry out activities that are specifically authorized and funded under those laws.

Accordingly, the committee recommends a provision that would provide a statutory basis for the military-to-military contact program and would provide adequate funding to expand the program to other regions.

Foreign disaster relief activities

The Department of Defense has been conducting foreign disaster relief activities over the years. Recently, these activities, particularly in response to ethnic conflict, have been conducted on a larger scale and for a greater duration than in the past. Recent examples of foreign disaster relief activities include the response to natural disasters in Bangladesh and the Philippines and the response to widespread famine caused by conflict in northern Iraq, Somalia, and the former Yugoslavia. In view of the increase in these types of activities and the potential effects that such activities might have on readiness, the committee believes that there is a need to provide a statutory basis for funding these activities.

Accordingly, the committee recommends a provision that would authorize the President to conduct foreign disaster relief activities; specify the assistance that may be provided; require a Presidential determination that the provision of disaster relief is in the national interest of the United States and necessary to save lives; and require prompt notice to the Congressional defense committees concerning relevant matters. The committee recommends \$46.3 million for this purpose in fiscal year 1995.

Nonproliferation and counterproliferation of weapon systems and related systems

The Administration submitted a report to Congress on its review of current and planned counterproliferation and nonproliferation programs as required by section 1606 of the National Defense Authorization Act for Fiscal Year 1994. The report is a first step in clarifying the Department's key responsibility for responding to the possible use of weapons of mass destruction against U.S. and allied

troops. The Administration's programmatic review identified technical and operational needs and shortfalls, proposed recommendations and solutions, and required funding levels.

The committee agrees with the remarks in the transmittal letter that the report should not be viewed as "the final word in identifying gaps or overlaps among agency program efforts." The transmittal letter also acknowledges the validity of the committee's earlier expressed concerns that the Department has pursued the development of new technology ideas, rather than fielding promising technologies.

The committee remains concerned, however, that the efforts of the Department and the military Services in this field remain unfocused and uncoordinated. The report indicates that the Chairman of the Joint Chiefs of Staff, the Services, and the combatant commands have not yet determined their operational "military requirements" and are not likely to for another six months. It is critical that the military Services and the combatant commands identify their key operational requirements to execute a mission or respond to the use of weapons of mass destruction against U.S. or allied forces. The committee is convinced that the Department and the military Services need to do more to respond to the possible use of weapons of mass destruction by rogue nations.

JOINT COMMITTEE FOR THE REVIEW OF COUNTERPROLIFERATION PROGRAMS

The committee believes that the Joint Committee for the Review of Counterproliferation Programs (established by section 1605 of the National Defense Authorization Act for Fiscal Year 1994) should be continued for at least an additional two years, in order to follow through with the effort begun in the program review outlined in the May report. However, in order to sharpen the focus of the committee, emphasis should be placed upon the immediate counterproliferation needs of the military forces. Therefore, the name and membership of the joint review committee have been modified to reflect its new, narrower focus. The committee recognizes the overlapping role in nonproliferation played by both the remaining and former review committee members, but believes that a narrower focus will prevent policy and non-defense-related nonproliferation efforts from being funded by the defense acquisition budget.

In the future, the joint review committee should focus on prioritizing program and budget submissions that address the priority military needs identified in the report. Concerted effort should be placed on bringing existing prototype or one-of-a-kind equipment in the Defense or Energy Department's laboratories through testing and into deployment with U.S. forces. Additionally, the unified commanders should play a greater role in determining priorities and reviewing technology programs slated to reach initial operational capability. An annual reporting requirement that takes into account the unified commanders' recommendations will serve as a planning and assessment tool for the joint review committee and the Congress.

RECOMMENDATIONS

The fiscal year 1995 budget request included \$30.3 million in operation and maintenance, defense agencies. Of the \$30.3 million, \$16.8 million is identified for programs that are traditionally and properly the responsibility of the Departments of State and Energy. The committee believes sufficient funds are available in existing DOE and State activities. Accordingly, the committee recommends a \$17.0 million reduction to the operation and maintenance, defense agencies for counterproliferation.

Of the \$13.5 million remaining in operation and maintenance, defense agencies, the committee recommends that \$12.0 million be transferred from operation and maintenance, defense agencies, to research and development, defense agencies, for two programs that address the requirements of the military Services to operate in a nuclear, chemical, or biological environment.

Of the \$12.0 million, \$5.0 million is available to the Defense Nuclear Agency (DNA) for a joint demonstration program with the Advanced Research Projects Agency (ARPA) and DOE for the detection, characterization, and defeat of deep and/or hardened underground structures. Technology programs currently underway at DNA, the Service laboratories, the national weapons laboratories, the intelligence community, and the National Test Facility should be fully leveraged in this effort.

The committee recommends that \$7.0 million be made available to conduct field demonstrations for operational users utilizing promising and existing technologies like biological detectors and alarms, improved decontamination equipment and solutions, and improved chemical gear and masks.

The budget request also included \$25.4 million for a counterproliferation technology project in PE602301E to be conducted by ARPA. This project would develop new technologies and enhance existing technology by conducting early demonstrations of advanced sensors, information processing, modeling, command and control, and response option technologies for warning and capabilities assessment and tailored counterproliferation options. The committee recommends that prior to the development of any new technologies, ARPA coordinate with the appropriate agencies and departments to ensure that these technologies do not duplicate ongoing programs, and that these programs are consistent with the recommendations outlined in the report submitted to the Congress pursuant to Section 1605 of the National Defense Authorization Act for Fiscal Year 1994. Additionally, the committee urges ARPA to leverage resources existing at the DOE national weapons and Service laboratories.

Despite agreements to dismantle the U.S. and Russian nuclear weapons stockpiles, the world is not more stable or more predictable. The danger of all-out nuclear war has diminished, but the danger of nuclear proliferation has increased. The proliferation of nuclear weapons and other weapons of mass destruction and their delivery means will continue to be a national security challenge. Twenty countries are the major sources of fissile material and advanced chemical and biological weapons, including the four nuclear states of the former Soviet Union, China, North Korea, Iran and Iraq.

SUPPORT FOR INTERNATIONAL ACTIVITIES

The committee supports the Department's general objective of providing support to international nonproliferation activities. The committee particularly supports collaborative international nuclear security and nuclear safety projects to combat the threat of nuclear theft, including technical assistance and training. The committee also supports the Defense Department's role in the U.N. Special Commission in Iraq. As such, the committee recommends the extension of authority provided in section 1505(d)(3) of the National Defense Authorization Act for Fiscal Year 1993 to provide up to \$15.0 million from amounts available to the Department for fiscal year 1995.

Of the funds available to the Under Secretary of Defense (Policy) for technical studies, support, and analysis (PE605104D), the committee directs that \$2.0 million be made available for studies and analyses in support of counterproliferation policy.

EDUCATION ON PROLIFERATION ISSUES

The committee shares the Department's desire to encourage the military Services to improve the education of their personnel on proliferation issues. The committee recommends an increase of \$1.0 million for operation and maintenance, defense agencies, to be managed by the Joint Chiefs of Staff for the National War College and military Service war colleges to establish or continue their current mission of determining the implications of WMD for doctrine and title 10 responsibilities and to develop solutions to current WMD mission warfighting requirements. Additionally, the committee recommends an increase of \$500,000 to research and development, defense agencies, for technical studies, support, and analysis (PE605104D) to be available to the Joint Chiefs of Staff for unified command preparations to meet power projection challenges.

REPORT ON PROLIFERATION OF FOREIGN MILITARY SATELLITES

Lastly, the committee recommends a provision that would prohibit the use of funds available for travel for the office of the Assistant Secretary of Defense for International Security Policy until the report required by section 1363 of the National Defense Authorization Act for Fiscal Year 1993 is submitted to the Congress.

Reports on multinational peace operations

Throughout the 103rd Congress, the committee has carefully examined developing Administration policy toward multinational operations involving many kinds of military resources. These operations may range from traditional peacekeeping under the mandate and control of the United Nations involving diplomatic efforts, monitoring personnel, and observers, to vigorous military operations like Operation Desert Storm convened as ad hoc coalitions of combat forces. They may include humanitarian relief operations where modest security is required, and more dangerous peace enforcement efforts where an active effort is made to separate warring parties.

In testimony on the Defense Department's Bottom-Up Review, the committee was informed that smaller regional crises are the most likely conflicts to face the United States and threaten U.S. interests in the years to come. While the United States must maintain its own capability to deter or win large conflicts, smaller regional and ethnic disputes, proliferation of weapons of mass destruction to rogue states, and humanitarian emergencies will be the major security challenges of our times. For some of these crises, multinational operations may be more appropriate, because they can achieve goals Americans support at a far lower cost, both in lives and in resources, than if the United States intervenes alone.

Although the United Nations Charter provides a legal basis and process for peace enforcement operations, the real threat of a Soviet veto in the U.N. Security Council made such action impossible until recently. With the end of the Cold War, there have been well-founded hopes for more active cooperative efforts among the United States and its allies in multinational peace operations. But in the last two years, the demand for such operations has exceeded the capacity of the United Nations and other international institutions, and has challenged the readiness of nations to respond together to that demand.

In 1992, the U.N. Secretary General proposed an ambitious set of initiatives to enhance the United Nations' ability to organize, carry out, and pay for successful peacekeeping and peace enforcement missions. Most of those proposals still await implementation. At the same time, NATO has shifted its strategic concept and is adapting its forces so that it can become an active participant in peace operations. NATO is performing under U.N. mandates in the former Yugoslavia, including the naval blockade, no-fly zone, close-air support strikes, and is involved in preliminary planning for enforcement of a peace agreement among the factions.

The Administration has undertaken a lengthy review of these issues and consulted extensively with Congress to produce a new, comprehensive policy, Presidential Decision Directive 25 (PDD-25). This policy now guides U.S. decisions about participating in multinational operations, assigns responsibility within the government for conducting and funding those operations, initiates extensive consultation procedures with Congress, and outlines objectives for making such operations much more effective.

The committee approves of the emphasis PDD-25 places on the opportunities the United States has to lead in the development of effective multinational peacekeeping and peace enforcement capabilities, and to better prepare the United Nations, NATO, or other coalitions to be ready to act quickly, effectively, and decisively. Many nations should contribute to such development, but U.S. leadership is essential. The United States has unique resources and military experience to contribute to the development of more credible and effective multinational operations. With the experience gained from leading the coalition in Operation Desert Storm and humanitarian relief efforts with the Kurds and Somalis, no nation has more skilled officers with a better understanding of complex multinational logistics, communications, intelligence, and command and control than the United States.

PDD-25 provides clearer criteria than previously existed for when the United States should support or participate in a multinational peace operation. The President will have to choose among many crises demanding U.S. attention and resources, weigh the level of U.S. interests at risk and the cost of multinational action, and assess public and Congressional support. But the new policy states explicitly that the President will also consider the security, political, economic, and humanitarian costs of not acting. The Administration also will undertake new, extensive consultation procedures to fully involve Congress in decisions to participate in multinational operations. The committee encourages the Department of Defense to participate actively in interagency and Congressional consultations in advance of these decisions, and to provide realistic assessments of the risks and costs of action and inaction.

PDD-25 also reaffirms U.S. policy to retain command of U.S. military forces. In some limited and specified circumstances, temporary operational control of those forces may be transferred to a non-American commander, as it has been throughout history, including during Operation Desert Storm. But the President will and should remain the commander-in-chief of every man and woman in our armed forces. The committee strongly supports this policy, and encourages the Department to vigorously examine proposed command and control arrangements and rules of engagement for any multinational operation in which U.S. forces participate. Where proposed command and control arrangements are not sufficiently rigorous, the Department must work for concrete improvements.

Among the lessons of recent U.N. missions involving armed forces from different nations is the difficulty of coordinating swift and effective operations if national unit commanders must seek approval from their own capitals before obeying the orders of a U.N. commander. In Somalia, the UNOSOM II Commander, a Turkish general, and the Deputy Commander, an American general, both expressed enormous frustration at the delays

in implementing commands for this reason. In addition, while nations may be reluctant to commit their armed forces to multinational operations in dangerous environments where that nation's direct interests are not at risk, military personnel from many nations might be willing to participate in a truly international rapid deployment force. Deployment of such a force would be subject to a decision of the U.N. Security Council, where the United States has a veto.

Neither the Administration nor the committee supports establishment now of an independent multinational security force under control of the U.N. Security Council. This possibility should not be foreclosed for the future, however, as the military command capability of the United Nations is improved. Several independent analysts have studied how such a small U.N. military force could be created and for what purposes. The committee encourages the Department to actively review such studies and establish a working group to develop options for a small standing multinational force.

The committee has still not received the report on multinational peacekeeping and peace enforcement required under section 1502 of the National Defense Authorization Act for Fiscal Year 1994, which was due not later than April 1, 1994. That report required a comprehensive analysis and discussion of a number of matters not directly addressed by PDD-25, including proposals to establish a small U.N. rapid deployment force.

The committee recognizes the important contribution that multinational peace operations and early conflict prevention efforts can make to U.S. security, and appreciates their relevance in the threat environment upon which the Bottom-Up Review is based. However, for the longer-term, the committee encourages the Department to provide a more comprehensive explanation of how these operations and the resources they require are integrated into the overall national security strategy, defense posture, and military budget.

Finally, among the most important changes needed at the United Nations are an improved military command structure, uniform training standards for national peacekeeping units, ready-to-go headquarters units for rapid initiation of an operation, quick availability of airlift and reserve supplies, and a high degree of integration and interoperability between forces of different nations. The new U.S. policies promote the kinds of reforms and changes that can make the United Nations more usable as a coordinator of multinational security efforts, whether U.S. forces participate or not. The committee will monitor closely the progress of proposals for U.N. reform and enhancement of the United Nations' ability to plan and coordinate operations involving military forces.

Accordingly, the committee recommends a provision that would require the Secretary of Defense to provide two reports, six months apart, to the Congressional defense committees on U.S. proposals for improving U.N. management of peace operations.

Support to international peacekeeping or peace enforcement activities

Over the course of the last year, the committee has reviewed the numerous issues relating to international peacekeeping and peace enforcement activities. This effort has included hearings by the full committee and the Subcommittee on Coalition Defense and Reinforcing Forces in which testimony was received from Defense Department officials, the U.S. Ambassador to the United Nations, and independent experts. At the same time, the Administration has been developing a new comprehensive policy on peace operations. The committee has also examined the actual implementation of policies prior to the completion of the new policy in the course of reviewing current and potential multinational operations involving U.S. forces around the world, including the former Yugoslavia, Somalia, Iraq, and Haiti.

The committee has also been conducting a comprehensive investigation into U.S. policies and activities with respect to Somalia, with specific emphasis on the Joint Task Force Ranger raid on October 3-4, 1993 in Mogadishu in which 18 Americans tragically were killed.

After a year-long review of multilateral peace operations, President Clinton signed a Presidential Decision Directive (PDD-25) which was described in the May 1994 White House white paper, entitled "The Clinton Administration's Policy on Reforming Multilateral Peace Operations." PDD-25 includes guidance on a number of policy areas, and creates a new "shared responsibility" approach to managing and funding U.N. peace operations within the U.S. government. Under this new approach, the Department of Defense would take lead management and funding responsibility for those U.N. operations that involve U.S. combat units and those that are likely to involve combat. The State Department, which previously had the lead responsibility for all U.N. operations, would retain the lead responsibility for traditional peacekeeping operations that do not involve U.S. combat units.

The committee applauds the greater involvement of the Department of Defense in decisionmaking relating to U.N. Security Council resolutions authorizing, extending, or revising the mandates for U.N. peace operations. The Department's expertise will be valuable whether the mandate applies to peacekeeping or peace enforcement and whether U.S. military personnel are involved.

The committee is concerned about the addition of this new expense to the defense budget, particularly at a time of declining fiscal resources and particularly for an activity whose expenses are difficult to predict. U.N. peace operations, if conducted properly, can make a contribution to U.S. and international peace and security. In prior years, the committee has supported the use of defense funds, in an amount not to exceed \$300.0 million, for the payment of U.N. peace operations assessments, provided those assessments in a specific fiscal year exceeded the amount the President requested for the Department of State; State Department funds were not sufficient; and the funds were needed to meet unexpected and urgent requirements.

The committee believes that a compelling case can be made for ensuring adequate funding for U.N. peace operations in which U.S. combat forces participate. It is clearly in the national interest to ensure that the forces of other nations that have been pledged are actually deployed to the peace operation and that they are adequately equipped for combat in the case of operations in which U.S. combat forces participate.

It is important that reimbursements from the United Nations are used to pay for the incremental costs of the Services or defense agencies. U.N. reimbursements, however, are not available for a host of activities carried out by the armed forces of the United States in direct support but not under the operational control of U.N. commanders.

Accordingly, the committee recommends a provision that would establish a "Contributions for International Peacekeeping and Peace Enforcement Activities Fund"; authorize the use of DOD funds to pay the U.S. fair share of assessments and the furnishing of supplies, services, and equipment on a reimbursable basis in support of U.N. peace operations; provide as a condition precedent for a Presidential determination that assistance to the United Nations is in the national interest of the United States; provide for advance notice by the President to the designated Congressional committees of the initial deployment of U.S. forces, the payment of U.N. assessments, the furnishing of assistance in excess of \$14.0 million, or the waiver of reimbursement from the United Nations; and provide for reimbursements to pay for the incremental costs of the Services and defense agencies providing the forces or assistance as a first priority, then to pay for the incremental costs of other activities of U.S. armed forces for which reimbursement is not possible, and finally for replenishment of the fund from which U.N. assessments are paid.

The provision would authorize up to \$300.0 million for the Contributions for International Peacekeeping and Peace Enforcement Activities Fund for fiscal year 1995.

Report on offensive BW program of the countries of the former Soviet Union

The Biological Weapons Convention (BWC) of 1972 prohibits the development, production, and stockpiling of biological weapons. Allegations of continued development, production, and stockpiling of BW by the former Soviet Union have continued to surface, beginning in the late 1980s through 1992. In 1992, after numerous discussions among the United States, the United Kingdom, and Russia, the Russian government stated that it had taken steps to resolve the compliance concerns. President Yeltsin also acknowledged that the Soviet Union had conducted an illegal offensive BW program and directed that the program be dismantled.

At the January 1994 summit, Presidents Yeltsin and Clinton reaffirmed the importance of the BWC. However, allegations remain that the Russian Ministry of Defense is conducting an offensive biological research and development program.

The committee recommends a provision that would require the Secretary of Defense to provide the congressional defense committees with a report on the status of the offensive biological warfare program of the states of the former Soviet Union within 120 days of enactment of this Act. The report is also to include an updated evaluation of U.S. abilities to detect and monitor BW research, development, testing, production,

and storage. Additionally, the report is to provide information on the ability and effectiveness of systems in the former Soviet Union to deliver BW.

Continuation of requirements for submittal of certain reports to Congress

Section 1151 of the National Defense Authorization Act for Fiscal Year 1994 directed the Secretary of Defense to prepare a list of reports required by law that he believes are unnecessary or incompatible with the efficient management of the Defense Department. Section 1151 specified that unless a provision of law enacted after November 30, 1993 provided otherwise, a reporting requirement on this list would automatically cease to be effective on October 30, 1995.

On May 24, 1994, the committee received a list of 106 reports that the Defense Department determined to be unnecessary or incompatible with efficient management. Unfortunately, the committee was able to conduct only a preliminary review of the list because it was submitted shortly before the committee marked up the National Defense Authorization Act for Fiscal Year 1995 and much of the information necessary to identify the reports was either missing or mistaken.

As a result of its initial review, the committee recommends a provision that would reenact into law 19 of the 106 reports on the Defense Department list. These reports provide information that is important to the committee in carrying out its responsibilities.

REPORTING REQUIREMENTS TO BE RETAINED

Citation	Topic
1. 10 U.S.C. 2806(c)(2)	Contributions for NATO infrastructure.
2. 10 U.S.C. 2672a(b)	Interests in land when need is urgent.
3. 10 U.S.C. 2662	Real property transactions.
4. 10 U.S.C. 2861	Annual report on military construction.
5. 10 U.S.C. 2807	Architectural and engineering services and construction design.
6. 10 U.S.C. 2804(b)	Contingency construction.
7. 10 U.S.C. 2823(b) suitable alternative housing.	Determination of availability of
8. 10 U.S.C. 2825	Improvements to family housing.
9. 10 U.S.C. 2835	Long-term leasing of military family housing.
10. 10 U.S.C. 2865 (e) and (f) [as amended by sec. 2801 of FY93 DOD Authorization Act]	Promotion of energy savings.
11. 10 U.S.C. 2827(b)	Relocation of military family housing units.
12. 10 U.S.C. 2687	Base closures and realignments.
13. Sec. 2921(e) and (f) of DOD Authorization Act [as amended by sec. 2827 of FY93 DOD Authorization Act]	Overseas military facility investment recovery account.

14. 10 U.S.C. 2008	Management of industrial funds.
15. 37 U.S.C. 1008(a)	Military pay and allowances.
16. 37 U.S.C. 406	Travel and transportation allowances.
17. 33 U.S.C. 2406	Monitoring and research of ecological effects.
18. Sec. 1505(f)(3) of FY90/91 DOD Authorization Act	Military child development centers.
19. Sec. 326 of FY93 DoD Authorization Act	Elimination of ozone-depleting substances.

Use of inmate labor at military installations

The committee recommends provisions (secs. 1051, 1052, and 1053) that would permit installation commanders to enter into an agreement with state or local governments under which non-violent offenders could perform certain services on the installation.

In the National Defense Authorization Act for Fiscal Year 1994, the Congress authorized the Department of the Navy to conduct a demonstration project to test the feasibility of using Navy facilities to provide employment training for non-violent offenders in a state penal system prior to their release. This demonstration has been a success for both the Navy and the non-violent offenders. This provision would expand the authority to all military departments and make it permanent. The provision would clearly limit the use of inmate labor to specific activities and specify that it may not displace government or defense contractor employees, impair any contract for services at the installation, or involve services in skills for which there is a surplus of available labor locally.

Redesignation of the United States Court of Military Appeals and the Courts of Military Review

The committee recommends a provision that would redesignate the United States Court of Military Appeals as the United States Court of Appeals for the Armed Services, and that would redesignate the Courts of Military Review as the Courts of Military Criminal Appeals. The purpose of the change is to more clearly reflect the appellate judicial role of these tribunals.

Assistance to family members of certain POW/MIAs who remain unaccounted for

The Defense POW/MIA Office (DPMO) was established to assist the families of Vietnam POWs and MIAs. The committee recommends a provision that would establish a single point of contact within the DPMO for the families of the POWs and MIAs from the Korean War and the Cold War who are unaccounted for. Current DOD figures indicate there are 8,145 servicemen from the Korean War and 135 from the Cold War period who are still missing.

The primary duties of this point of contact would be archival research, not the accounting task faced by the Vietnam POW/MIA task force. The point of contact would assist the families in researching information concerning their family members who are still missing from the Korean War and the Cold War period. The point of contact would facilitate liaison with federal agencies and declassification of documents and would provide a centralized repository of documents.

National Guard youth programs

The committee recommends a provision that would authorize members or units of the National Guard to provide certain assistance to specified organizations in conjunction with training if the provision of such assistance does not degrade the quality of the training or otherwise interfere with the ability of any unit to

perform its military functions; the services provided are not commercially available or commercial entities affected have agreed in writing not to object; and the assistance does not materially increase the cost of the training activities. Services which could be provided would include ground transportation; limited air transportation in support of the Special Olympics; administrative support; technical training; emergency medical assistance; communications; and security support. Additionally, this provision would authorize the use of equipment and facilities of the National Guard, including military property of the United States issued to the National Guard and General Services Administration vehicles leased to the National Guard and the Department of Defense, in carrying out these programs.

Defense Mapping Agency amendments

The Defense Mapping Agency (DMA) produces maps, charts, and similar information for use by the combatant commands and other elements of the Department of Defense. Many DMA products are made available to the public. The committee recommends two provisions, requested by the Administration, related to DMA maps and charts.

The first provision would preclude unauthorized use of the name, initials, or seal of the Defense Mapping Agency. This provision would protect the public against persons who would misuse the name, initials, or seal of DMA to convey the impression that DMA has produced a map or chart which is not, in fact, a DMA product. The provision is similar to the protection provided to the name and seal of the Central Intelligence Agency (50 U.S.C. 403m), the National Security Agency (50 U.S.C. 402 note), and the Defense Intelligence Agency (10 U.S.C. 202).

The second provision would make it clear that the United States has not waived sovereign immunity with respect to lawsuits based upon the content of DMA maps and charts. Claims against DMA are prohibited under the Federal Tort Claims Act, but an issue has arisen as to whether the Suits in Admiralty Act (46 U.S.C. 741 et seq.) provides an independent jurisdictional basis for lawsuits against DMA. The provision recommended by the committee would make it clear that the government has not waived sovereign immunity with respect to claims based upon allegations concerning the content of DMA maps and charts.

Tank landing ship (LST) transfers

During most of the 1970s, the goal for amphibious shipping was to carry in excess of one division/air wing team, or Marine Expeditionary Force (MEF). The Reagan Administration increased this goal by adding a requirement that the Navy also be able to carry a brigade/squadron team, or Marine Expeditionary Brigade (MEB), which resulted in a so-called "MEF+MEB" goal. In response to changing world events, the Navy later decided to reduce the lift goal to three MEBs (about a 25 percent cut in the previous goal), or roughly what it was before the Reagan Administration. In fiscal year 1992, the Future Years Defense Program cut this goal even further to 2.5 MEBs. The 1993 Bottom-Up Review ratified the 2.5 MEB goal.

As a part of a recapitalization program, the Navy has decided to retire many ships earlier than their normal service lives will expire. Except for aircraft carriers, no type of ships has avoided this axe. Of particular concern, however, is the early retirement of a number of amphibious ships, including all tank landing ships (LSTs). These ships have between five and 13 years of remaining useful service life, as evidenced by foreign navies' clamoring to buy or lease them. Retiring these ships early will cause the MEB lift capacity to fall below 2.5 MEBs for the foreseeable future. The committee has heard no compelling rationale for this adjustment, other than one of affordability.

The committee believes that the concept of an innovative Naval Reserve force suggested by the Navy several years ago would apply to this situation. As this concept was originally implemented, the Navy kept one frigate in a training status, a so-called "FFT", with several other associated frigates in storage. The training ship was used to train several crews of reservists that could activate and operate the other ships in wartime.

The Navy has proposed to sell or lease 15 LSTs and two Knox class frigates to several countries. The committee is unwilling to recommend approval of any LST transfers until the Secretary of Defense can certify

that they will not reduce amphibious lift capability below 2.5 MEBs, as called for in the Bottom-Up Review. Given the importance of maintaining this MEB lift capability, the committee believes that the Navy should implement an innovative "LST-T" concept to maintain lift capability. The committee recommends additional Naval Reservist billets to permit the Navy to implement this concept. The committee also recommends a provision that would authorize the transfer of the two Knox class frigates.

M1A1 tanks for the active Marine Corps

As noted elsewhere in this report, the committee received a report from the General Accounting Office earlier this year suggesting that the Army transfer excess M1 tanks to fill out requirements in the Marine Corps. The committee has taken action to buy additional tank upgrades for the Army and transfer the M1A1s replaced by these upgrades to the Marine Corps Reserve.

Active duty Marine Corps units would be among the first units deployed to any future conflict. The committee believes that these units should have priority over units of the National Guard and reserve that would deploy much later in any conflict.

Therefore, the committee recommends a provision that would direct the Army to transfer M1A1 common tanks to the Marine Corps, as M1A1s become excess to the requirements of the active duty Army, until the Marine Corps requirement for tanks is filled. The committee understands that this could require an additional 124 tanks.

The committee reserves judgment on the total requirement for the Marine Corps. The statement of requirements includes a deficit in a category called "sustainment." This category includes a total of 40 additional tanks for maintenance float and prepositioned war reserves. The committee directs the Secretary of Defense to provide his assessment of whether these additional sustainment requirements are valid.

Drug interdiction and counterdrug activities

The budget request for drug interdiction and counterdrug activities totals \$714.2 million for fiscal year 1995, an apparent decrease of \$154.0 million from the fiscal year 1994 level. However, \$199.1 million for counterdrug operational tempo, which had previously been included in the counterdrug budget, has been transferred to the military components. Accordingly, the Defense Department's counterdrug request for fiscal year 1995 is actually \$45.1 million more than the total approved for fiscal year 1994.

This is the first budget request since the issuance of the Administration's new national drug control policy. The request is helpfully divided into five component parts: source nation support; dismantling cartels; detection and monitoring; demand reduction; and law enforcement agency support.

The committee is aware that the Department, with the active involvement of the other agencies that conduct counterdrug activities, has been conducting a counterdrug effectiveness review. This review, which seeks to establish measures of effectiveness for each of the Department's project codes and to identify projects that can be deleted or should be enhanced, is an indication of the new positive leadership in the Department in this area.

The committee remains convinced of the high potential of the Department's efforts to develop and demonstrate non-intrusive inspection technology systems. The early results from the test of the high energy X-ray cargo container inspection system being carried out at Tacoma, Washington, are particularly impressive. The committee looks forward to the results of upcoming deployments of the transportable, non-intrusive inspection systems that will start in August 1994 on the Southwest border; the backscatter X-ray cargo container inspection system that is scheduled to start in July 1994 at Otay Mesa, California; and the pulsed fast neutron cargo container inspection system whose prototype will be installed in January 1995 at Tacoma, Washington. The committee believes that these systems merit increased support.

The committee is disappointed that no law enforcement agency has come forward to strongly endorse the EMERALD system. In view of this lack of endorsement, the committee directs, as it did last year, that no more than 50 percent of the funds available for the project be expended until the Secretary of Defense reports that a law enforcement agency endorses the project, participates in its oversight board, and commits to use the ultimate product, if it proves technically capable of meeting the design requirement. The committee will end funding for this project next year if such an endorsement is not forthcoming by then.

The National Defense Authorization Act for Fiscal Year 1993 directed the Department of Defense to include a review of the airship in an ongoing sensor mix study. The Department completed the sensor mix study in June 1993. The study's findings recommended that \$3.0 million be spent to further evaluate the airship as a low cost detection and monitoring platform to support counterdrug efforts. As a result of the airship findings of the sensor mix study, the committee report on the National Defense Authorization Act for Fiscal Year 1994 (S. Rept. 103-112) included \$3.0 million for the further evaluation of airships as detection and monitoring platforms. Historically, the committee has resisted the temptation to stipulate specific funding levels for numerous systems within the DOD counterdrug budget. However, the funds specifically identified for airships in the committee report were included at the request of DOD. The committee is disappointed that the Department, after requesting the funding, has failed to pursue the airship evaluation in the manner the committee directed. Consequently, the committee directs the Secretary of Defense to execute the funds provided for fiscal year 1994 for airship evaluation.

The committee continues to strongly support the contribution that the National Guard makes to the national counterdrug effort. Guard activities take place in every state and virtually every community of the United States. The committee believes that the National Guard state plans merit greater support.

The committee has doubts about the wisdom of proceeding with the expansion of the relocatable over the horizon radar (ROTHR) system to Puerto Rico prior to the Texas site becoming operational. The committee is concerned about the lack of empirical data on the effectiveness of the ROTHR and the lack of radar coverage of Mexico. Although the committee believes it is premature to expend any funds on the Puerto Rico site, the denial of funding for that purpose this year does not preclude doing so in a later year.

The committee has learned that the ground-based radar in the Andean region are of very limited effectiveness and that target aircraft are able to locate and avoid them with regularity. In view of this limited effectiveness, duplication with other more capable systems, and relatively high operational cost of these radars, the committee believes there are higher priority funding requirements.

Finally, the committee emphasizes its strong support for the pilot outreach programs of the Services and the National Guard. The lack of a budget request for the Marine Corps' participation in this program is inexplicable.

Accordingly, the committee recommends a number of program increases and two decreases as reflected in the following table:

DRUG INTERDICTION AND COUNTERDRUG ACTIVITIES

[OPERATION AND MAINTENANCE]	DOLLARS IN THOUSANDS
Fiscal year 1995 O&M request	714,200
Increases:	
Project 1403 counterdrug R&D	6,000
Project 7403:	
National interagency CD institute	3,500
ANG state plans	10,000
ARNG state plans	17,000
Project 8992 pilot outreach	1,000
Project 8993 pilot outreach	200
Project 8994 pilot outreach	200
Project 8995 pilot outreach	500
Project 8996 pilot outreach	400
Total increases	38,800
Decreases:	
Project 3217 ROTHR(PR)	13,800
Project 4419(T) SOUTHCOM radar support	25,000
Total decreases	38,800
Fiscal Year 1995 drug interdiction and counterdrug activities, O&M budget	714,200

DIVISION B-MILITARY CONSTRUCTION AUTHORIZATIONS

The purpose of Division B is to provide military construction authorization and related authority to support the military departments and defense agencies during fiscal year 1995. The Administration's budget request is reflected in S. 2058, as introduced by request. This division, as recommended by the committee, totals \$8,604,324,000 in authorization for appropriations for fiscal year 1995.

This authorization provides construction and military family housing operations for the military Services, the reserve components, the defense agencies, and the NATO Infrastructure program. It also provides authorizations for the three base closure accounts.

A brief summary of the fiscal year 1995 authorization is as follows:

Offset Folios 281 Insert here ***TABLE GOES HERE***

COMMITTEE ACTION, FISCAL YEAR 1995

The committee recommends an overall authorization for the Defense Department's military construction program that is above that requested. This increase responds to a decision by the Department of Defense to cut the military construction program by approximately \$1.0 billion late in the final stages of preparing the budget request for fiscal year 1995. DOD termed this year's lower budget request for the military construction account the priority investment program (PIP). The PIP includes only those construction projects that DOD determined are the highest priorities to each of the Services and defense agencies.

The committee adjusts the fiscal year 1995 budget request to include additional construction projects amounting to approximately \$560.0 million that contribute to the readiness and quality of life of military personnel.

The following summary identifies the recommended adjustments to the fiscal year 1995 request:

Offset Folios 283 to 288 Insert here ***TABLE GOES HERE***

Demolition of facilities

The committee is aware that with the downsizing of military forces at many installations, there are opportunities for military Services to demolish obsolete facilities that are not cost efficient and required by the future force structure. Such demolition has normally been accomplished with operation and maintenance funds that are better used for readiness requirements.

The committee recommends that each of the military Services review their funding requirements for demolition of facilities that are unneeded and are not suitable for reuse. If after review, each of the Services determines that a separate demolition account for each Service should be established to fund such activities, the committee would expect the Services to pursue the development of these accounts and request funds for these accounts in the fiscal year 1996 budget request.

Consolidated family housing operation and maintenance, Oahu, Hawaii

The committee is aware that the Department of Defense Environmental Security Council approved the recommendation of the Installation Policy Board to return funding responsibilities for military family housing operation and maintenance on Oahu from the Army to the individual military Services effective July 15, 1994. To support this decentralization, the committee adjusted the Army's family housing operation and maintenance account by the authority representing the Oahu requirements and allocated these funds to the Air Force and Navy family housing operation and maintenance accounts as recommended by the Department of Defense.

Planning and design authorizations

The committee directs that of the amount authorized for the Army, Army National Guard, and Air National Guard facility planning and design accounts, up to \$1.0 million, \$2.0 million, and \$1.0 million, respectively, be directed toward the design of the following:

Army: Fort Benning, GA, consolidated maintenance facility	\$1,000,000
Army NG: Camp Shelby, MS, multi-purpose range complex	1,200,000
Nashville, TN, state area command facility	800,000
Air NG: Massachusetts Military Reservation, MA, installation restoration facility	1,000,000

Unspecified minor military construction

The committee recommends that within the amounts authorized for the unspecified minor military construction account, the Navy fund two projects at the Marine Corps Logistics Base, Albany, Georgia: \$435,000 to move a natural gas line; and \$700,000 to construct an alternate railroad track.

Barracks renewal, Fort Knox, Kentucky

The National Defense Authorization Act for Fiscal Year 1994 authorized \$25.0 million for a whole barracks renewal project to include renovation of administrative space, renovation of barracks, and construction of a dining facility at Fort Knox, Kentucky. The committee understands that new requirements for additional administrative space and changes in Army barracks standards have resulted in the need to change the scope of the original project. The committee urges the Department of the Army to exercise its reprogramming authority to accommodate these unexpected requirements within the amount previously authorized for this purpose.

Cedar Creek tank range, Fort Knox, Kentucky

The National Defense Authorization Act for Fiscal Year 1994 authorized \$4.15 million to upgrade the Cedar Creek tank range at Fort Knox, Kentucky. The estimated cost of this project has increased by \$750,000. The committee urges the Department of the Army to exercise its reprogramming authority to accommodate this cost growth.

National Security Agency supercomputer facility, Fort Meade, Maryland

The committee recommends a reduction of \$12.72 million in the Defense Agencies military construction account for phase II construction of a National Security Agency supercomputer facility at Fort Meade, Maryland.

The committee is aware that the National Defense Authorization Act for Fiscal Year 1994 authorized the full construction cost of \$52.72 million for the supercomputer facility. The committee continues to support the construction of this facility.

Base closure and realignment accounts

The committee recommends authorization of \$87.6 million in fiscal year 1995 for the Defense Base Closure Account 1988 which supports the recommendations of the 1988 Defense Base Closure and Realignment Commission. It also recommends authorization of \$2.6 billion in fiscal year 1995 for the Defense Base Closure and Realignment Account 1990 that supports the recommendations of the 1991 and 1993 Defense Base Closure and Realignment Commissions.

The committee will continue to carefully monitor the justification for both the construction projects funded within these accounts, and the other cost elements of the accounts.

Although funding is not specifically limited to projects identified in its budget justification, DOD identified the following construction projects for fiscal year 1995 that it planned to fund from these accounts:

Offset Folios 292 to 297 Insert here ***TABLE GOES HERE***

Tenant commands' operational requirements

The base closure and realignment process is critical to reducing infrastructure-related overhead obligations of the Department of Defense. The committee is concerned that as the Department downsizes or realigns its military force structure at military bases, the validated operational requirements of some remaining tenant commands may not be met, although the host command has the infrastructure and operational capability to support those needs. This problem can be particularly acute if the tenant is not a component of a particular Service, as in the case of a joint operations command, and the host command may not have a strong commitment towards supporting its tenant.

The committee is aware of several military tenant commands, including unified commands, that are facing the prospect of having their validated operational requirements not supported by their host facility commands. To ensure the continued operational capability of tenant commands and activities, the committee directs the Secretary of Defense to ensure that the operational needs and requirements of such tenant commands are fully considered during the base closure and realignment process.

Combined support maintenance facility, Columbia, South Carolina

The Military Construction Authorization Act for Fiscal Year 1994 authorized \$8.62 million for the construction of a replacement combined maintenance facility for the South Carolina National Guard in Columbia, South Carolina. Due to new mission requirements, the estimated cost of this project has increased by \$3.0 million. The committee urges the National Guard Bureau to exercise its reprogramming authority to accommodate the cost growth and obligate funds for this project in fiscal year 1995.

New Jersey National Guard headquarters, Fort Dix, New Jersey

The National Defense Authorization Act for Fiscal Year 1993 included \$5.2 million to renovate a facility at Fort Dix, New Jersey for use as the New Jersey National Guard headquarters. The committee is aware that recent base closure and realignment decisions regarding Fort Dix and McGuire Air Force Base have resulted in the need to change the scope of the original project. The new requirement includes additions and alterations to a substitute facility on Fort Dix to serve as the headquarters building. The committee recognizes these changes and urges the National Guard to continue with the current plans for the consolidated headquarters facility with funds that were previously authorized and appropriated for this purpose.

Relocation of Army family housing units from Fort Hunter Liggett, California to Fort Stewart, Georgia

The committee recommends a provision that would amend the Military Construction Authorization Act for Fiscal Year 1992 (Public Law 102-190) to site a portion of the family housing units that had been authorized for construction at Fort Hunter Liggett, California, to Fort Stewart, Georgia. The provision, which does not alter the amount of the original authorization, reflects basing changes that have occurred since the original authorization.

Authority to carry out construction project, Naval Supply Center, Pensacola, Florida

The committee recommends a provision that would authorize the Secretary of the Navy to complete construction of a cold storage facility at the Naval Supply Center, Pensacola, Florida which was under contract (N62467-86-C-0421) at the time the authority to construct the project was terminated. The committee understands that the base closure actions of 1993 did not affect the Department of the Navy's requirement for this project.

Relocation of Pascagoula Coast Guard Station, Pascagoula, Mississippi

The committee recommends a provision that would authorize the Secretary of the Navy to allow the U.S. Coast Guard to relocate the Pascagoula Coast Guard facilities to the Pascagoula Naval Station. The provision would specify that:

- (1) The Department of the Navy determine the design and location of the Coast Guard facility;

- (2) The Department of the Navy incur no construction costs associated with the Coast Guard facility;
and
- (3) The relocation of the Coast Guard facility not diminish the Pascagoula Naval Station's primary mission.

Design activities for upgrade of Mayport Naval Station, Florida

During consideration of the National Defense Authorization Act for Fiscal Year 1993, the committee recommended \$1.35 million be spent for a facility study and initiation of design to upgrade Naval Station Mayport to be capable of homeporting a nuclear-powered aircraft carrier. In fiscal year 1994, the committee expressed its concern that these funds were not expended and directed the Secretary of the Navy to comply with congressional intent.

The committee is pleased that the facilities study is underway and is scheduled for completion by July 1994. A programmatic environmental impact study (PEIS) is also underway and is scheduled for completion by March 1995. The committee notes that this work was funded at the direction of the Chief of Naval Operations with funds other than those reserved by the committee in fiscal year 1993, that these funds remain unspent, and that the initiation of design work has not yet occurred.

The committee recommends a provision that would authorize the Secretary of the Navy, at the conclusion of the facilities study, to begin design work for such military construction projects as may be necessary to provide Naval Station Mayport with an ability to homeport a nuclear-powered aircraft carrier.

Although the committee authorizes design work to go forward, it reserves judgment on the question of proceeding with actual construction activities specifically designed to provide Naval Station Mayport with an ability to homeport a nuclear-powered aircraft carrier until a determination is made by the Secretary of the Navy that U.S. strategic interests require an ability to homeport carriers at two separate Navy facilities on the East Coast.

Authorization of previously appropriated military construction projects at Tyndall Air Force Base, Florida

The committee recommends a provision that would authorize \$3.2 million for an addition to a base supplies and equipment warehouse facility and \$2.4 million for construction of a security police operations facility at Tyndall Air Force Base, Florida. The Military Construction Appropriations Act for Fiscal Year 1994 included funds for these projects.

Revision of authorized family housing project, Tyndall Air Force Base, Florida

The committee recommends a provision that would amend section 2302(a) of the Military Construction Authorization Act for Fiscal Year 1994 to convert the Tyndall Air Force Base, Florida infrastructure project into a 45-family housing unit project.

Fitzsimons Army Medical Center, Denver, Colorado

The National Defense Authorization Act for Fiscal Year 1993 authorized a total of \$390.0 million to construct a replacement hospital at Fitzsimons Army Medical Center in Denver, Colorado. To date, \$32.0 million has been authorized for appropriation for design and site work. The replacement facility was originally planned as a 400-bed hospital. In February 1994, DOD notified the Congress of its decision to downsize the replacement facility to 200 beds. The cost of this smaller facility is approximately \$300.0 million.

A March 21, 1994 DOD IG audit report found that the construction of a replacement facility for Fitzsimons could not be justified for the following reasons:

- (1) The replacement facility is too expensive;
- (2) The facility would serve only a small percentage of active duty personnel;
- (3) Local civilian hospitals are underutilized; and

(4) Other military medical facilities in the area (U.S. Air Force Academy and Fort Carson) can accommodate the active duty medical needs.

The DOD IG recommended termination of the construction project. The Acting Assistant Secretary of Defense for Health Affairs concurred with the findings of the DOD IG. The committee recommends a provision that would terminate the construction authorization for a replacement facility at Fitzsimons Army Medical Center.

DOD health care costs have grown from \$8.5 billion to \$15.3 billion over the last 10 years-an increase of 44 percent. The committee believes that the Department must look at ways to reduce health care costs and eliminate unnecessary health care infrastructure. The DOD IG audit report clearly shows that replacing Fitzsimons is not the most cost effective option when health care services can be provided by civilian and existing DOD facilities.

Community impact assistance with regard to Naval Weapons Station, Charleston, South Carolina

The committee recommends a provision that would authorize the Secretary of the Navy to transfer \$3.0 million to the South Carolina Department of Highways and Public Transportation for road improvements to North Rhett Avenue, which provides access to the Naval Weapons Station, Charleston, South Carolina.

Chemical agents and munitions destruction

The budget request includes \$276.0 million for construction of two facilities to destroy and dispose of chemical agents and munitions. Of the funds requested for these two projects, \$97.0 million is for Pine Bluff Arsenal and \$179.0 million is for Umatilla Army Depot. The committee recommends that funding for the two projects be authorized in phases with \$3.0 million for Pine Bluff Arsenal and \$12.0 million for Umatilla Army Depot for phase one. The committee expects that the remainder of the funds necessary to complete the projects will be included in the fiscal year 1996 budget request.

The Army submitted its report on alternative technologies to the baseline process to Congress in April 1994. The report endorsed a recommendation by the National Research Council to add activated carbon filter beds to the pollution abatement systems at the destruction facilities. Because the report was concluded after the budget request was submitted, funds were not included for this project. The committee recommends \$18.0 million for utility upgrades, site preparation, and stormwater drainage for adaption of carbon filters to the pollution abatement systems. The \$18.0 million is allocated as follows: \$4.0 million for Tooele, \$5.0 million for Anniston, \$4.0 million for Umatilla and \$5.0 million for Pine Bluff.

Lastly, the committee recommends a provision that would amend section 1412(f) of Public Law 99-145 to require funds for the construction of chemical demilitarization facilities to be provided in separate DOD accounts, in keeping with the funding for other activities in this program. Funds contained in the Army military construction request for fiscal year 1995 for the construction of chemical demilitarization facilities are transferred to a separate DOD account. The committee directs that all military construction funds, previously authorized and which remain unobligated in separate Army accounts, be transferred to this separate DOD account.

Authorization of previously appropriated military construction projects

The committee recommends a provision that would amend section 2601 of the Military Construction Authorization Act for Fiscal Year 1994 to increase the authorization for the Army National Guard by \$3.21 million for construction of an aviation support facility in Tupelo, Mississippi and for the Navy/Marine Corps Reserve by \$8.7 million for construction of a Marine Corps Reserve headquarters facility in New Orleans, Louisiana.

The provision would also amend section 2601 of the Military Construction Authorization Act for Fiscal Year 1993 to increase the authorization for the Air National Guard by \$1.2 million for repair of a taxiway in Salem, Oregon.

Clarification of requirement for notification of Congress of improvements in family housing units

The committee recommends a provision that would clarify the notification requirements for improvements to military family housing units by requiring Congressional notification for only those family housing improvements exceeding \$50,000 per unit not previously included in the annual budget justification data.

Authority to pay closing costs under the homeowners assistance program

The committee recommends a provision that would amend section 1013(c) of the Demonstration Cities and Metropolitan Development Act of 1966 to authorize the Secretary of the Army, using available funds, to pay a qualified applicant's closing costs under the homeowners assistance program.

The committee supports the homeowners assistance program and believes that this provision will provide an incentive for private home sales rather than costly government purchases of homes.

Advance planning of community adjustment and economic diversification

The committee recommends a provision that would prohibit any advance economic redevelopment and reuse planning or other conversion planning conducted by communities in anticipation of the base closure process from being taken into consideration during base closure deliberations.

Some of the communities that depend upon military installations for a significant portion of their economic well-being would like to proceed with reuse planning in advance of any recommendations by the Secretary of Defense or the President to close bases. These communities, although clearly preferring that the bases in their communities remain open, would like to have the opportunity to prepare in advance in the event that a base is recommended for closure. While the communities can undertake this type of planning, there is concern that advance planning might be considered by either the Secretary of Defense or the Base Closure Commission to be adverse to the communities. The provision recommended by the committee would prohibit the Secretary of Defense or the Base Closure Commission from taking into consideration, for any purpose associated with base closure deliberations, any advance planning activities.

The committee urges the Secretary to work actively with the various state and local groups and other organizations interested in base closure activities to assure them that any advance planning activities will not be considered in any base closure deliberations.

Clarifying and technical amendments to base closure laws

The committee recommends a provision that would amend and clarify several sections of the 1988 and 1991 base realignment and closure (BRAC) acts, title II of Public Law 100-526, and part A of title XXIX of Public Law 101-510. The provision would:

- (1) clarify that the authority of the Secretary of Defense to conduct environmental cleanup would continue after the 1988 BRAC bases are closed at the end of 1995 and that funds in the 1988 BRAC account could continue to be used for cleanup;

- (2) clarify that the Secretary's authority to dispose of personal property at bases closing under both the 1988 and 1991 BRAC acts is conducted pursuant to General Services Administration (GSA) regulations, as is disposal of real property;

(3) clarify that the Secretary will work with the local reuse authority to determine the personal property items located at the closing bases that are not needed for a military purpose and could be available to the local community to assist with reuse and redevelopment; and

(4) clarify the definition of "redevelopment authority" so that it is clear that a single redevelopment authority does not have to both prepare the redevelopment plan and implement the plan, thereby allowing for the possibility that the implementing authority could be a different entity from the planning authority.

Land transfer, Holloman Air Force Base, New Mexico

The committee recommends a provision that would provide for the transfer of 1,262 acres of land by the Secretary of the Interior to the Department of the Air Force for the construction of evaporation ponds to support a wastewater treatment plant at Holloman Air Force Base, New Mexico.

Under the terms of this transfer agreement, the Secretary of the Air Force would be required to:

- (1) Recognize a grazing preference on the land;
- (2) Ensure that the use of the land meets all environmental requirements of the federal, state, and local governments;
- (3) Ensure the continuation of valid, existing rights under the mining, mineral leasing, and geothermal leasing laws of the United States;
- (4) Ensure that the transfer will not interfere with certain established rights of way; and
- (5) Ensure that the public has access to the land with the exception of the immediate area surrounding the wastewater treatment plant.

Joint use of property, Port Hueneme, California

The committee recommends a provision that would authorize the Secretary of the Navy to enter into an agreement with the Oxnard Harbor District, Port Hueneme, California, for the joint use of Navy Wharf Number 3 for a period of 15 years. The agreement would require the Oxnard Harbor District to pay to the Secretary of the Navy fair market rental value for the use of the wharf.

Lease of property, Naval Weapons Radio Receiving Facility, Imperial Beach, Coronado, California

The committee recommends a provision that would authorize the Secretary of the Navy to lease, at less than fair market value and for a period of 50 years, to the Young Men's Christian Association (YMCA) of San Diego County, California, 45.5 acres of property at the Naval Weapons Radio Receiving Facility located in Imperial Beach, California.

Release of reversionary interest, York County, James City County, and Newport News, Virginia

The committee recommends a provision that would authorize the Secretary of the Navy to release the reversionary interest of the United States in the real property located in James City County, Virginia to the Virginia Department of Transportation, provided that the property continues to be used for a public purpose. This provision would enable the Virginia Department of Transportation to deed a portion of the James City County property to the Peninsula Regional Jail Authority for the construction of a 288-bed jail.

Land transfer, Fort Devens, Massachusetts

The committee recommends a provision that would authorize the Secretary of Defense to transfer approximately 800 acres of land at Fort Devens, Massachusetts to the Secretary of Interior for inclusion in

the Oxbow National Wildlife Refuge, Massachusetts. Transfer of the land to the Secretary of the Interior must be consistent with the base reuse plan.

Land conveyance, Cornhusker Army Ammunition Plant, Hall County, Nebraska

The committee recommends a provision that would authorize the Secretary of the Army to convey for fair market value the Cornhusker Army Ammunition Plant to the Hall County, Nebraska, Board of Supervisors. The transfer will allow redevelopment of the plant pursuant to the Cornhusker Army Ammunition Plant reuse committee comprehensive reuse plan. The Hall County Board of Supervisors formed the reuse committee to develop a plan for non-military use of the plant. It has worked extensively with the Army and local business interests to develop this comprehensive reuse plan while the Army continues the environmental restoration activities at the plant. This transfer will not occur until the Army has completed all of its legal obligations for environmental restoration activities.

In addition, the provision would require that all of the proceeds of the sale shall be deposited in the account established to receive the proceeds of the sale of military property, pursuant to section 204(h) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C.485(h)), and that all of the proceeds would be available to the Department of Defense pursuant to section 204(h)(2)(B).

Transfer or conveyance of various parcels through General Services Administration

The committee recommends a provision that would require the Administrator of the General Services Administration to screen certain parcels of land, prior to conveyance, to ensure that there is no federal, state, local, or other preferential use for the land. The provision would establish an expedited screening and approval process that would be concluded not later than 125 days after enactment of this Act. The Secretary of Defense may transfer the land to the Administrator for disposal at the end of the screening process. The Administrator shall then transfer the land to any federal agency, state or local agency, or other preferential interest as appropriate. Parcels of land, or portions thereof, not transferred to a federal agency, a state or local agency, or to another preferential interest shall then be transferred according to the terms and conditions specific to the parcel of land transferred. The specific parcels of land and the terms and conditions of conveyance are:

(1) Air Force Plant No. 3, Tulsa Oklahoma: Convey, without consideration, for economic redevelopment, approximately 337 acres located at the Air Force Plant No. 3, Tulsa, Oklahoma, to the City of Tulsa;

(2) Naval Weapons Industrial Reserve Plant, Calverton, New York: Convey, without consideration, for economic redevelopment, approximately 2,900 acres of land located at the Naval Weapons Industrial Reserve Plant, Calverton, New York to the appropriate redevelopment authority as designated by the Governor of the State of New York;

(3) Air Force Plant No. 59, Johnson City (Westover), New York: Convey, without consideration, for economic redevelopment, a parcel of real property containing Air Force Plant No. 59 to the Broome County Industrial Development Authority. The provision would also permit the Secretary to lease the property to the Broome County Industrial Development Authority until the property is conveyed by deed. In exchange for the lease, the Broome County Industrial Development Authority would be required to maintain and protect the property.

(4) Radar Bomb Scoring Site, Dickinson, North Dakota: Convey, without consideration, for housing and recreation purposes, approximately four acres of land and improvements that constituted the support base for the former Radar Bomb Scoring Site, Dickinson, North Dakota, to the North Dakota Board of Higher Education; and

(5) Finley Air Force Station, Finley, North Dakota: Convey, without consideration, for housing, recreation, and other purposes as determined by the Secretary of the Air Force, 12 acres of real property

and improvements that constituted the family housing area for the Finley Air Force Station, Finley, North Dakota to the City of Finley, North Dakota.

Modification of land conveyance, Fort A.P. Hill Military Reservation, Virginia

The committee recommends a provision that would amend section 2834(b) of the Military Construction Authorization Act for Fiscal Year 1991 (Public Law 102-25) to expand the number of political subdivisions eligible to use the regional correctional facility. The provision would also require that the construction of the regional correctional facility commence no later than April 1, 1997 and be completed no later than April 1, 2002.

Modification of conveyance of electricity distribution system, Fort Dix, New Jersey

The committee recommends a provision that would amend section 2846 of the Military Construction Authorization Act for Fiscal Year 1994 by deleting the reversionary clause.

Modification of land conveyance, Fort Knox, Kentucky

The committee recommends a provision that would amend section 2816 of the Military Construction Authorization Act for Fiscal Years 1990 and 1991 to authorize the Secretary of the Army to use proceeds from the sale of 12 acres of land in the City of Radcliff for improvements to existing family housing units, rather than the new construction of four family housing units at Fort Knox, Kentucky.

Preservation of Calverton Pine Barrens, Naval Weapons Industrial Reserve Plant, New York, as a nature preserve

The committee recommends a provision that would amend section 2854 of the Military Construction Authorization Act for Fiscal Year 1993 (Public Law 102-484) to ensure that Calverton Pine Barrens is maintained and preserved as a nature preserve. The provision also would require that, if the property is transferred by the Secretary of the Navy, the transfer agreement must contain provisions which maintain the property as a preserve.

Joint construction contracting for commissaries and non-appropriated fund instrumentality facilities

The committee recommends a provision that would amend section 2886 of title 10, United States Code, to clarify that commissary surcharge funds are considered non-appropriated funds for contracting purposes. This provision would permit the Defense Commissary Agency to participate in joint construction projects without executing both appropriated and non-appropriated fund contracts when it is in the best interests of both parties. Elimination of the requirement for both appropriated and non-appropriated fund contracts will increase efficiency and reduce costs.

National Guard facility contracts subject to performance supervision by the Army or the Navy

The committee recommends a provision that would make a technical correction to section 2237 of title 10, United States Code. When paragraphs (5) and (6) were added to section 2233(a) of title 10, United States Code, section 2237 was not modified to reflect the change. This provision would correct that oversight by adding paragraphs (5) and (6) to section 2237.

Waiver of reporting requirements for certain real property transactions in the event of war or national emergency

The committee recommends a provision that would amend the reporting requirements regarding real property transactions in section 2662 of title 10, United States Code. This provision would modify the reporting requirements in the event that the President declares war, a national emergency, or a natural disaster. If the Secretary of a military Service enters into a real property agreement under these conditions,

the Secretary would be required to submit a report on the agreement to the Committees on Armed Services of the Senate and the House of Representatives not later than 30 days after entering into the agreement.

Report on the use of funds for environmental restoration at Cornhusker Army Ammunition Plant, Hall County, Nebraska

The committee recommends a provision that would direct the Secretary of the Army to submit a report to the Congress on the use of funds for environmental restoration at Cornhusker Army Ammunition Plant in Nebraska. The report would describe the source of funds for environmental restoration and disposition activities; plans for carrying out these activities; a survey of the condition and an estimate of the cost to repair, if necessary, roads located on the grounds of the plant; and the source and an estimate of the funds for identifying and maintaining documents and other materials associated with cultural, historic, and natural resources at the plant.

DOD Laboratory Revitalization Demonstration Act of 1994

Pursuant to an Administration request, the committee recommends a provision that would establish a test program to allow the heads of selected defense laboratories greater flexibility to undertake facilities modernization without the requirement to seek approval from higher levels. The purpose of the program is to reduce the amount of time required to upgrade research and development capabilities at DOD laboratories. The provision would recognize that facilities construction in support of research and development is historically more expensive than similar-sized projects in other construction categories. For test program laboratories, the provision would raise the threshold from \$1.5 million to \$3.0 million for minor military construction projects that the Secretary of Defense may carry out without specific authorization in law. The provision would also raise the threshold for minor military construction projects requiring prior Secretary of Defense approval from \$500,000 to \$1.5 million. Finally, the provision would raise for selected laboratories the threshold from \$300,000 to \$1.0 million for the value of any unspecified military construction project for which operation and maintenance funds may be used.

The test authority would expire on September 30, 1999. It would also require the Secretary of Defense to designate participating laboratories before the test may begin and to report to Congress on the lessons learned from the test program one year before it is terminated.

Reports to Congress on certain agreements of settlement for release of improvements at overseas military installations

The committee recommends a provision that would limit the review of proposed residual value settlements by the Office of Management and Budget (OMB) to those settlements that have an estimated value in excess of \$10.0 million, determined by the Secretary of Defense. The provision would also require the Secretary of Defense to submit an annual report to the Committees on Armed Services of the Senate and the House of Representative on those settlements that were not in excess of \$10.0 million and were not reviewed by OMB.

DIVISION C-DEPARTMENT OF ENERGY NATIONAL SECURITY AUTHORIZATIONS AND OTHER AUTHORIZATIONS

TITLE XXXI-DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

Title XXXI would authorize appropriations for the atomic energy defense activities of the Department of Energy, including the purchase, construction, and acquisition of plant and capital equipment; research and development; naval nuclear propulsion; environmental restoration and waste management; operating expenses; and other incidental expenses necessary to carry out the purposes of the Department of Energy Organization Act (Public Law 95-91). The title would authorize appropriations in four categories: weapons activities; defense environmental restoration and waste management; materials support and other defense programs; and defense nuclear waste disposal.

The fiscal year 1995 authorization request for the Department of Energy atomic energy defense activities totaled \$10,545,432,000. Of the total amounts requested, \$3.3 billion was for weapons activities, \$5.2 billion was for defense environmental restoration and waste management, \$1.9 billion was for materials support and other defense programs, and \$129.4 million was for defense nuclear waste disposal.

The committee recommends authorization of \$10,325,432,000, including \$3.3 billion for weapons activities, \$5.2 billion for defense environmental restoration and waste management, \$1.9 billion for materials support and other defense programs, and \$129.430 million for defense nuclear waste disposal. This represents an overall reduction of \$220.0 million.

The following table summarizes the request and the committee recommendations.

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The Department of Energy continues to shift its focus away from activities traditionally associated with nuclear weapons and towards non-proliferation, nuclear materials control and disposition, and environmental restoration and waste management activities. The three primary missions of the Department of Energy are managing the residual waste and contamination from past weapons production operations, dismantling excess nuclear weapons and managing the recovered fissile materials, and maintaining a significantly reduced stockpile.

During fiscal year 1994, management responsibilities for more of the original 17 DOE traditional weapons complex sites was transferred to the environmental restoration and waste management program. Even at the sites still actively involved with the Office of Defense Programs, such as the Savannah River Site and the Pantex Plant, environmental restoration and waste management activities account for a substantial portion of the sites' budgets.

DOE has not produced weapons grade fissile materials in many years and has no capability to produce such materials. DOE is aggressively working to achieve the Administration's goal of a world-wide ban on the production of weapons grade fissile materials.

DOE has made significant progress dismantling excess nuclear weapons. The committee was pleased that despite the importance of the dismantlement schedule, when a safety-related problem recently occurred at the DOE Pantex Facility in Texas, DOE stopped all dismantlement operations so that the safety-related problem could be addressed and resolved. This is a significant and refreshing departure from the historic DOE approach to maintaining schedules at the expense of safety considerations. The committee hopes that DOE will continue to implement this strong commitment to nuclear safety.

Notwithstanding the growing environmental restoration and waste management organization and the rapidly decreasing nuclear weapons function, DOE does continue to have responsibility to maintain and ensure the continued safety and reliability of the small, aging, remaining nuclear weapons stockpile. In the committee's recommendations for the DOE budget for fiscal year 1995, the focus of the remaining weapons activities is on maintaining, for the foreseeable future, the ability to address all concerns that may arise with this small, aging stockpile.

DOE has no new nuclear weapons design programs in process and has no capability to manufacture any new weapons. The bulk of the nuclear capabilities available to the DOE now rest almost exclusively in three DOE laboratories: Lawrence Livermore National Laboratory, Los Alamos National Laboratory, and Sandia National Laboratory. Preserving a nuclear weapons capability in these laboratories is the focus of the committee's recommendations for weapons activities funding in fiscal year 1995.

Weapons activities

The Department of Energy requested \$3.3 billion for weapons activities. The committee recommends \$3.3 billion. This includes an increase of \$10.0 million in a new line for the Nevada Test Site to begin a solar energy development and demonstration program.

Defense environmental restoration and waste management

The Department of Energy requested \$5.2 billion for defense environmental restoration activities. The committee recommends \$5.2 billion. Included in this amount is a \$5.0 million reduction in facilities transition.

Materials support and other defense programs

The Department of Energy requested \$1.9 billion for materials production and other defense programs. The committee recommends \$1.9 billion. This includes a \$5.0 million reduction in worker and community transition activities.

General reduction

The committee recommends that the funding for DOE national security programs be reduced by \$220.0 million. This reduction is offset by funds available from fiscal year 1994. These funds are available because the Department has failed to submit a five-year budget plan as required by the National Defense Authorization Act for Fiscal Year 1994. This money may not be obligated, however, until the plan is submitted.

Fissile materials disposition

The Department of Energy requested no funds for plutonium or other fissile materials disposition for fiscal year 1995 until the submission of an amended budget request for \$9.0 million on June 6, 1994, two days before the Subcommittee on Nuclear Deterrence, Arms Control and Defense Intelligence, which is responsible for DOE matters, conducted its mark-up of the National Defense Authorization Act for Fiscal Year 1995 and three days before the full committee began to mark-up the bill. Within materials support and other defense programs, the committee recommends \$50.0 million for plutonium and other fissile materials disposition. The committee is deeply concerned that there continues to be a lack of commitment to deal with this very real problem.

Recently the Department successfully negotiated an agreement with the State of Texas to allow continued storage of the plutonium pits from retired nuclear weapons for three years. In the ensuing three years, DOE will prepare an environmental impact statement on continued storage of the plutonium pits at Pantex, beyond the three-year period.

Pursuant to the agreement, on May 23, 1994, DOE published its notice of intent to prepare the environmental impact statement on the operation of the Pantex Plant and the continued storage of plutonium pits at Pantex and at other sites for up to ten years.

DOE has not issued a notice of intent to prepare an environmental impact statement on plutonium disposition alternatives, but has indicated that it will do so in a separate environmental impact statement that will also address the long-term storage of all excess plutonium, including excess plutonium recovered from retired nuclear weapons. The committee is concerned, however, that the newly acquired ability to continue to store plutonium pits at the Pantex Plant for an additional three years may have removed, at least from the perspective of DOE, some of the urgency of the plutonium disposition problem. The committee urges DOE to begin, in earnest, the technical assessment of the broad range of technologies, including reactor, advanced reactor, and non-reactor technologies and proposals; to dispose of the excess weapons grade plutonium; and to begin the environmental impact statement on the comparative environmental impacts of the various technologies and proposals. The committee believes that an earnest attempt at a technical assessment will require DOE to fund substantive R&D in areas such as: fuel certification experiments for gas reactors; core design; technical target assembly design for accelerator destruction of tritium; actual experiments with plutonium vitrification, including pyroprocessing to prepare plutonium feedstock to verify or refute the current indications that only small amounts of plutonium can be disposed of in glass logs; and similar technical research. The committee has seen enough scoping studies and underfunded technical reports; the committee requires that DOE find out the facts.

Russia also has a plutonium disposition problem. DOE has initiated a program of cooperation to work with its Russian counterparts and to provide technical assistance for plutonium management, storage, and disposition. Of the funds authorized for fissile materials disposition, DOE may use up to \$7.0 million to continue this work.

Defense nuclear waste disposal

The Department of Energy requested \$129.4 million for the defense nuclear waste disposal fund. The committee recommends \$129.4 million, the amount requested. Payments to the nuclear waste disposal fund

are required by the Department of Energy before high-level defense waste can be disposed of in a repository established under the Nuclear Waste Policy Act. These funds are used to support the characterization of the Yucca Mountain candidate repository site.

Defense nuclear facilities

Throughout this report, the committee refers to Department of Energy defense nuclear facilities. Defense nuclear facilities are all or part of the following DOE facilities:

- Kansas City Plant,
- Pinellas Plant,
- Mound Facility,
- Fernald Environmental Management Project Site,
- Pantex Plant,
- Rocky Flats Plant, including the Oxnard Facility,
- Savannah River Site,
- Los Alamos National Laboratory,
- Sandia National Laboratory,
- Argonne National Laboratory,
- Brookhaven National Laboratory,
- Lawrence Livermore National Laboratory,
- Oak Ridge National Laboratory,
- Nevada Test Site,
- Y-12 Plant,
- Hanford Site,
- Idaho National Engineering Laboratory,
- Waste Isolation Pilot Project,
- Portsmouth Gaseous Diffusion Plant,

Reprogramming

The committee recommends a provision that would establish a procedure to allow the Secretary of Energy to use funds available for one program to be used as additional funds for another congressionally authorized program. This process will allow the Secretary flexibility in meeting changing requirements.

Limits on general plant projects

The committee recommends a provision that would allow the Secretary of Energy to spend up to \$2.0 million on any construction project using funds authorized and appropriated for general plant projects. If any project exceeds \$2.0 million as a result of unforeseen circumstances, the Secretary must immediately notify the congressional defense committees.

Limitations on construction projects

The committee recommends a provision that would prohibit the Secretary of Energy from beginning or incurring additional obligations for an ongoing construction project, if to do so would exceed, by 25 percent or more, the amount authorized for the project, or the total estimated cost of the project as shown in the most recent budget justification data submitted to Congress. The Secretary may undertake the prohibited actions if the Secretary notifies the congressional defense committees of the overage and explains why the overage is necessary.

Funds transfer authority

The committee recommends a provision that would allow the Secretary of Energy to transfer funds to other agencies for the performance of the work for which the funds were appropriated.

Authority for construction design

The committee recommends a provision that would allow the Secretary of Energy to use funds appropriated to the Department of Energy to carry out advance planning and design for construction projects if the total cost for advance planning and design does not exceed \$3.0 million. If the total cost of the advance planning and design exceeds \$600,000, the Secretary shall notify the congressional defense committees. The Secretary of Energy must have specific congressional authorization if the total estimated cost of the advance planning and design activities exceeds \$3.0 million.

Requirement for completion of conceptual design to precede request for construction funds

The committee recommends a provision that would require the Secretary of Energy to complete a conceptual design for a construction project before submitting the request for funds to begin the construction project, unless the request is for an emergency construction project.

Authority for emergency planning, design, and construction activities

The committee recommends a provision that would allow the Secretary of Energy to use funds appropriated to the Department of Energy for emergency planning, design, and construction activities if the activity is necessary to protect public health and safety, meet the needs of national defense, or protect property.

Funds available for all national security programs of the Department of Energy

The committee recommends a provision that would provide, subject to the provisions of appropriations acts, that all funds of the Department of Energy are available for use in connection with all national security programs of DOE.

Availability of funds

The committee recommends a provision that, subject to appropriations acts, would provide that funds appropriated for the Department of Energy remain available until expended.

Stockpile stewardship

Section 3138 of the National Defense Authorization Act for Fiscal Year 1994 established a stockpile stewardship program and a line item to fund that program. Although the Energy Department supported the creation of both the program and the line item, DOE did not include specifically identified funding for the stockpile stewardship program in its budget request for fiscal year 1995. DOE did, however, begin the program and has included within the weapons activities, research and development funding, \$800.0 million for various activities in the core weapons activities research and development account that are stockpile stewardship activities.

The committee is concerned, however, that this funding may not be sufficient to address all of the concerns presented by an aging nuclear weapons stockpile. The committee believes that an appropriate level of funding is approximately \$1 billion in the core weapons activities research and development account, not including the inertial confinement fusion program. This funding level is in keeping with the Presidential Decision Directive recommendations for stockpile stewardship. The committee recommends that DOE prepare and submit reprogramming requests, if necessary, during fiscal year 1995 to ensure the vitality of the stockpile stewardship program. The committee urges DOE to fully fund this important program in its fiscal year 1996 budget request.

Nuclear weapons continue to play an integral role in U.S. defense policy. The committee strongly believes that a high degree of confidence must be maintained in the smaller, less diverse, and aging nuclear weapons stockpile of the future. This must be done in the absence of underground nuclear weapons testing. Good progress has been made during the past year in the negotiations on a Comprehensive Test Ban Treaty (CTBT). In planning for the future, DOE must assume the successful completion of the negotiations and the

signing of a CTBT. A science-based stockpile stewardship program will ensure that core intellectual and technical competencies are preserved and that the safety and reliability of the stockpile are maintained.

The science-based stockpile stewardship program must address and resolve the issues of safety, security, reliability, and performance of the stockpile without underground nuclear testing and without ongoing nuclear weapons development and production. The program must predict potential aging problems and develop new methods to evaluate performance. The program must also attract and retain the scientific and engineering talent that is critical to maintaining the core competencies of the weapons laboratories. The Congressional Research Service has just completed a report that sets forth in detail the problems and concerns associated with the long-term maintenance of an aging nuclear weapons stockpile. The committee believes that stockpile stewardship can be accomplished through an integrated program encompassing enhanced computational capabilities and high quality experimental facilities.

The committee understands DOE is preparing a long-term strategy plan for stockpile stewardship that addresses these issues and associated budgetary requirements for the out-years. The committee requests that the stockpile stewardship strategy be completed and provided to the Committees on Armed Services and Appropriations of the Senate and the House of Representatives by November 1, 1994.

The committee recommends a provision that would direct the Secretary of Energy, in conjunction with the Chairman of the Joint Chiefs of Staff, to establish a program that would provide DOE and the three laboratories a continuing source of highly-trained, highly-educated individuals in the DOE weapons program. One of the hardest of the rapidly vanishing resources to maintain in the nuclear weapons program is people. This program will ensure that human skills remain available for the long-term.

Inertial confinement fusion

Inertial confinement fusion is a laboratory-scale, controlled nuclear fusion that occurs in a small deuterium-tritium sphere or pellet. To achieve the nuclear fusion, the sphere or pellet must be compressed so that it stays intact long enough to allow the nuclear fusion to occur. Theoretically, laser beams should be able to provide sufficient energy to compress the pellet. The inertial confinement fusion program seeks to study weapons physics and nuclear weapons effects, and, in the long term, to explore the possibility of using inertial confinement fusion as an energy source. A significant amount of heat energy produced by the explosion could be used to generate electricity.

In September 1990, the National Academy of Sciences completed a review of the inertial confinement fusion program. The review set out a series of milestones and priorities that the Department of Energy has begun to implement. The committee supports these efforts. To implement the Academy's recommendation, the committee recommends \$176.473 million for inertial confinement fusion, of which \$166.755 million is for operating expenses and \$9.718 million is for capital equipment. This is the same level as the Administration's request.

This funding would provide \$20.765 million to continue the upgrade of the OMEGA laser and \$78.650 million for the upgrade of the NOVA laser. The committee commends the collaborative efforts of the Los Alamos National Laboratory, the Lawrence Livermore National Laboratory, and the Sandia National Laboratory in this program. The committee continues to support the work at the Naval Research Laboratory. The committee notes that no funds were requested for any litigation expenses or other expenses associated with the close-out or termination of any prior year contracts. Therefore, the committee prohibits the use of any of the funds authorized and appropriated for the ICF program from being used for such purposes unless DOE submits a formal reprogramming request prior to obligating funds for litigation, close-out, termination or related costs connected with prior year contracts.

The committee notes that the ICF program is a key element of the overall DOE program to retain core weapons competencies in the laboratories as well as an excellent example of the dual use programs that are important both to the weapons programs and the civilian programs at the laboratories. The committee urges DOE to fully support the ICF, particularly the follow-on program to the NOVA upgrade.

Payment of penalties

The committee recommends a provision that would authorize the Secretary of Energy to pay stipulated civil penalties arising from the Department of Energy's failure to comply on a timely basis with certain provisions of the consent agreements for the Fernald Environmental Management Project at Fernald, Ohio and the Portsmouth Gaseous Diffusion Plant, Portsmouth, Ohio. The fines assessed against the Department

total \$100,000 and are to be paid from the funds authorized to be appropriated by section 3102 for defense environmental restoration and waste management. The committee should be notified if payment of these fines will have a detrimental effect on the DOE clean-up program.

Water management programs

The committee recommends a provision that would authorize the Secretary of Energy to reimburse the cities of Westminster, Broomfield, Thornton, and Northglenn, Colorado, in the amount of \$11.415 million from funds authorized for environmental restoration and waste management by section 3102. This represents the fifth and final payment to the communities to allow them to complete a project, known as the "option B project," that will protect Standley Lake from runoff from the Rocky Flats Plant and replace the Great Western Reservoir system with a new water supply and treatment system.

Limitation on use of funds for special access programs

The committee recommends a provision that would prohibit the Secretary of Energy from obligating more than 20 percent of the funds appropriated for special or limited access programs pursuant to title XXXI for national security programs of DOE until the Secretary submits the annual report detailing the limited and special access programs at the Department of Energy. The committee is concerned about the apparent unwillingness of DOE to submit the required report describing the limited and special access programs at the Department and the reluctance to submit classified budget justifications for the classified programs at the Department of Energy. The committee is concerned that the failure to provide full and complete budget justifications for all classified programs that utilize funds appropriated pursuant to title XXXI for Department of Energy national security programs severely limits the committee's ability to conduct meaningful oversight and to fulfill its responsibilities. In some instances, the Department has been reluctant even to acknowledge the existence of these programs. The committee expects a full and complete discussion of these programs to be included in the budget justification documents accompanying the Department's authorization request for fiscal year 1996.

Protection of nuclear weapons facilities workers

The committee recommends a provision that would authorize \$11.0 million to continue the training program for workers at the Department of Energy defense nuclear complex facilities established by section 3131 of the National Defense Authorization Act for Fiscal Years 1992 and 1993. This program authorizes the Secretary to make grants to non-profit organizations to conduct training pursuant to DOE orders for employees of DOE contractors, including sub-contractors.

National security programs

The committee recommends a provision that would prevent obligation of 10 percent of the funds authorized and appropriated pursuant to title XXXI for Department of Energy national security programs until the Secretary of Energy submits the five-year budget plan required by section 3144 of the National Defense Authorization Act for Fiscal Year 1990. Section 3144 directed the Secretary of Energy to submit to Congress a five-year budget plan for the national security programs of DOE at the same time the President submits the budget to Congress pursuant to section 1105 of title 31, United States Code. DOE has never submitted the required plan.

Section 3139 of the National Defense Authorization Act for Fiscal Year 1994 prevented obligation of five percent of the funds authorized and appropriated to DOE for national security programs for fiscal year 1994 until the Secretary submits the five-year budget plan. The committee is disappointed that the Department has failed to submit this plan. The committee is also concerned about the long-term budget of the Department and the Department's ability to adequately and accurately plan for its future. The committee hopes that the Department will be able to submit the required plan for the five-year period beginning with fiscal year 1995 when the Department's budget request for fiscal year 1996 is submitted to Congress.

Scholarship and fellowship program for environmental restoration and waste management

The committee recommends a provision that would authorize \$1.0 million for the DOE environmental scholarship program established by section 3123 of the National Defense Authorization Act for Fiscal Years 1992 and 1993. This scholarship program is an important source of new environmental professionals for DOE environmental restoration programs.

Hazardous materials management and hazardous materials emergency response training program

The committee recommends a provision that would authorize \$14.0 million to continue the hazardous materials and emergency response training program at the Hanford Site that DOE initiated in 1994. The committee believes that the health and safety of DOE contractor employees is a major concern at DOE sites. The committee supports the decision of the Department to ensure that adequate training is provided to these DOE contractor employees for their work at DOE sites. The committee cautions, however, that this program is to be designed to meet the needs of DOE and its contractors for their work at the DOE Hanford site. It is not the responsibility or mission of DOE to develop or to provide broad-based hazardous materials training for the general public.

Included in the Department's budget request was a request for a construction project, 95-E-600 Hazardous Materials Training Center Richland, Washington. This request, although generally described as a facility to provide radioactive and hazardous materials training, contained no specifics about the design, size, or nature of the facility being constructed and contained no cost information on the facility. The request did not include either the cost to construct the facility or any other related costs, such as land acquisition, capital equipment, or construction management costs. In short, the entire budget request for this project was identified as "TBD", to be determined. The committee believes that such a request is, at best, premature. The committee urges the Secretary to specifically identify the full and complete cost, purpose, and design of the facility before submitting a construction request in the future.

Programs for persons who may have been exposed to radiation released from the Hanford Site

The committee recommends a provision that would authorize \$3.296 million for the first of three additional years to continue the work of the Hanford health information network. Funds for the network were originally authorized in the National Defense Authorization Act for Fiscal Year 1991. The Act authorized \$5.0 million for the states of Washington, Oregon, and Idaho to develop and implement programs for the benefit of persons who may have been exposed to radiation released from the Department of Energy Hanford site between 1944 and 1972. The states were directed to evaluate and, if feasible, implement a registry and monitoring program for the exposed individuals.

In May 1991, the states submitted their report containing a plan to implement the Hanford health information network. The plan anticipated that the program would be fully funded over a three-year period beginning in fiscal year 1992. As a result, the funds authorized for 1991 were not needed for the health information network and were used for other purposes. Pursuant to the plan, fiscal year 1992 was the first year in which funding to implement the plan was provided. Funds were provided through fiscal year 1994, which was to be the final year of the three-year program.

In December 1993, the Secretary of Energy began a concentrated effort to identify all instances where people had been exposed to radiation through the actions of the Department of Energy, its contractors, or its grantees. This created a heightened concern among the citizens of the states of Washington, Oregon and Idaho about radiation exposures they may have received and any related health effects. As a result of this heightened awareness, the network was overwhelmed with inquiries, and the three states have asked that the network continue for an additional three years. The states of Oregon, Washington and Idaho have submitted a new proposal to continue the network for three years, beginning in fiscal year 1995 at a total cost of \$8.9 million. The committee supports continuation of the network for three additional years, but urges the network to begin planning so that the three states can assume responsibility for the network at the end of fiscal year 1997.

Nevada Test Site

The committee believes there are many important alternative uses for the Nevada Test Site (NTS). The committee recommends a provision that would require the Secretary of Energy to study a wide range of

alternative uses for the Nevada Test Site in addition to the use of the NTS as a solar energy test and demonstration facility.

The committee strongly supports the initiative to bring solar energy research, development, and production to the Nevada Test Site. The National Defense Authorization Act for Fiscal Years 1992 and 1993 directed the Secretary of Energy to conduct a study of the solar energy potential of the NTS. The "Nevada Test Site Solar Feasibility Study" is now complete. DOE found the NTS to be "a significant solar resource that can, in turn, provide important employment, local economic development and even export potential if developed." This study is now serving as a road map for solar energy development at the test site.

According to the study, as little as seven percent of the land area of the Nevada Test Site would be necessary to generate the power equivalent of 10 large coal or nuclear power plants. Thus, the bulk of the NTS would remain available for any of the potential uses identified in the provision recommended by the committee. The committee recommends a provision that would authorize \$10.0 million for the Secretary of Energy to begin to implement the recommendations contained in the solar energy study and to begin to develop the NTS as a solar energy test facility. Elsewhere in this Act, the committee recommends \$4.5 million for the Department of Defense to use the NTS as a demonstration site for the environmentally sound demilitarization of large rocket motors and other high-energetic explosives.

The NTS is a large and valuable resource in which the United States has invested considerable resources. Alternative missions will enable NTS to maintain at reduced cost, the infrastructure and personnel necessary in the event that resumption of nuclear testing is necessary in advance of a Comprehensive Test Ban Treaty (CTBT). Presumably, even under a CTBT, a level of readiness to test would be maintained at the NTS. While maintenance of an ability to resume underground nuclear weapons tests is important, the committee questions whether, in the coming years, the budget will support this capability standing alone. Thus, DOE must focus on dual use initiatives if this capability is to be maintained. The true future of the NTS, however, lies in its potential for many and diverse uses, not just those focused on maintaining a nuclear weapons testing capability. The new uses suggested for analysis in the DOE study are just a few of the future defense requirements that could be met at the NTS.

Accounting procedures for Department of Energy funds

The committee recommends a provision that would require the Department of Energy to account more fully for the use of its funds. DOE continues to have large unclosed balances in all programs and to retain funds in excess of those required to complete close out of construction projects in construction project line items. The committee is concerned that in the constrained defense budget environment, the Department may not be making the maximum use of its funds, or requesting more funds than are necessary to meet its obligations.

This accounting would be done on a fiscal year basis, notwithstanding that the funds appropriated to the Department of Energy, pursuant to title XXXI for national security programs, are no-year funds. No-year funds are available for expenditure without respect to fiscal year. These funds remain available for spending until spent. Given the unique responsibilities of the Department, the committee fully supports no-year funds for the DOE national security programs. Nevertheless, the committee believes that DOE should track the use of appropriated funds more closely.

Approval for certain nuclear weapons activities

The committee recommends a provision that would amend section 179 of title 10, United States Code, to strengthen the role of the Nuclear Weapons Council in coordinating the nuclear weapons activities of the Department of Defense and the Department of Energy. The committee believes that the Departments of Defense and Energy must work more closely together in all aspects of the nuclear weapons programs. This provision would allow for closer coordination of the tasks initiated or conducted at the three DOE laboratories with nuclear weapons expertise. Close cooperation is essential in a constrained budget environment.

In addition, the provision would require the Chairman of the Nuclear Weapons Council, through the Secretary of Energy, to submit to the congressional defense committees an annual report detailing the nuclear weapons activities in the then current fiscal year and those that have been approved by the Council for the next fiscal year. The first annual report would be submitted at the same time the President submitted the Department of Energy's budget request for fiscal year 1997 and would cover the activities being conducted in fiscal year 1996 and contemplated for fiscal year 1997.

Tritium production

The committee recommends a provision that would transfer responsibility for tritium production from the Department of Energy to the Defense Nuclear Agency (DNA) beginning in fiscal year 1996. The committee believes that fiscal year 1995 should be a transition year to allow DNA to work with DOE so that DNA can assume the tritium responsibility in an uninterrupted fashion. The responsibility transferring to DNA is the responsibility for production after 2008 only. All of the other tritium activities, such as handling and processing, should continue at the DOE Savannah River Site, as the responsibility of DOE, as currently planned. In addition, DOE shall remain responsible for contingency planning should a new tritium supply become necessary before 2008.

While the quantity of tritium that must eventually be produced annually, and when exactly a new tritium production capability must be on line, are still uncertain, planning for new tritium production capability must continue. According to testimony from the Department of Energy, the period when new tritium capacity must come on line is between 2009 and 2012. The variance is based primarily on whether a tritium reserve is maintained and the size of the reserve. For the past several years, the Department of Defense and Department of Energy have believed that maintaining a reserve is necessary and have supported a two- to three-year reserve. A reduction in the nuclear weapons stockpile below the START II levels would also affect the date when new capacity is needed as well as the amount of tritium required. Fewer weapons maintained in the stockpile would mean that less tritium must be produced and could be produced later in time.

The committee believes that the maximum amount of tritium required would be an amount necessary to maintain a START II stockpile level of approximately 3,500 strategic warheads coupled with a three-year reserve. DNA planning should start from the assumption that this is the maximum amount of tritium that could be required and identify alternatives for lesser amounts.

The committee expects the Secretary of Energy to make available to the Director of DNA such funds as are necessary to allow DNA to begin planning for the transition and to work closely with DOE throughout fiscal year 1995. The committee cautions that transfer to DNA of the tritium production responsibility should not be interpreted to mean that planning for tritium production is unnecessary during fiscal year 1995. On the contrary, the committee has provided for the one-year transition period to allow DOE and DNA to accomplish the transition with no interruptions in planning.

DNA should work closely with DOE on the environmental impact statement (EIS) for tritium production throughout 1995, with DNA assuming responsibility for the EIS for tritium production after 2008, or that portion of a programmatic EIS dealing with tritium production after 2008, beginning in fiscal year 1996. DOE sites deemed appropriate for tritium production should continue to be assessed in the EIS as the primary federal candidate sites for tritium production, in addition to any private sites or other federal sites that DNA determines to be appropriate. The committee urges DNA to study a broad range of options for tritium production as the committee continues to have serious concerns about the cost of tritium production.

The committee will seek periodic updates from the Secretary of Defense and the Secretary of Energy on the progress of the transition.

Office of Fissile Materials Disposition

The committee recommends a provision that would amend the Department of Energy Organization Act to establish, within DOE, an Office of Fissile Materials Disposition. This provision would make permanent the fissile materials project office established by the Secretary of Energy.

Disposition of fissile materials will be a major issue for DOE for many years. Many estimates are that it will take 20 to 30 years to finally dispose of all excess weapons-grade fissile materials in an environmentally and economically sound fashion. The committee believes that continuity and permanency are important aspects to the sound management of these materials.

The United States is not alone in its need and desire to deal with excess weapons-grade fissile materials. While disposition of excess highly enriched uranium is comparatively easy, disposition of plutonium presents many challenges. Not the least of these challenges is the implication that plutonium disposition activities will have for Russia.

The committee fully supports the Administration's efforts to work with Russia in a cooperative fashion to deal with excess weapons-grade plutonium and encourages DOE to continue to work jointly with its Russian counterparts on the technical aspects of plutonium disposition.

A permanent office for fissile materials disposition in DOE will facilitate the efforts to work with Russia in this area, and will demonstrate that the U.S. effort is focused and serious. A permanent office, with a dedicated DOE manager, will also allow more coordinated management within the Department and with other federal agencies. In addition, a dedicated office will allow for better financial control of the program.

Extension of authority to loan personnel and facilities at Idaho National Engineering Laboratory

The committee recommends a provision that would amend section 3133 of the National Defense Authorization Act for Fiscal Year 1993 to extend the loaned executive program at the Idaho National Engineering Laboratory until 1997. The program will terminate in 1997.

Elimination of requirement for five-year plan for defense nuclear facilities

The committee recommends a provision that would amend section 3135 of the National Defense Authorization Act for Fiscal Years 1992 and 1993 by eliminating Department of Energy defense nuclear facilities from the annual five-year planning requirement. Section 3135 directed the Secretary of Energy to prepare and submit an annual five-year plan for all environmental restoration and waste management activities at DOE facilities, including those activities that occur at DOE defense nuclear facilities. Each annual report includes a summary of the environmental restoration and waste management activities for the year preceding the year in which the report is filed and a projection of the requirements for each of the next succeeding five years.

Section 3153 of the National Defense Authorization Act for Fiscal Year 1994 established new annual reporting requirements for environmental restoration and waste management activities at DOE defense nuclear facilities. The first annual report required by this Act for environmental restoration activities is due on March 1, 1995, and the first annual report on waste management activities is due on June 1, 1995. Beginning in fiscal year 1995, the committee believes that the earlier report is no longer necessary for defense nuclear facilities, as there is considerable overlap between the two reporting requirements. To require both reports would not be a wise use of scarce DOE resources.

The provision recommended by the committee does not, however, terminate the requirement to submit an annual five-year plan at DOE facilities other than defense nuclear facilities. Those facilities are not included in the new reporting requirement.

Increase in the number of positions for environmental restoration and waste management personnel excepted from civil service laws

The committee recommends a provision that would amend the Department of Energy Organization Act to allow the Secretary of Energy to hire and employ, without regard to civil service laws, up to 350 scientific, engineering, technical, and professional personnel.

The committee has long been concerned that many of the problems at the Department of Energy over the past years have been related to the inadequate number of highly skilled and trained professional engineers, scientists, and other technical individuals who can perform oversight and management functions at the Department. In many instances, the number of federal employees at DOE sites is extremely small compared to the thousands of contractor employees. Of these, only a few are technically qualified. DOE has the same problems in its headquarters staff.

This problem is not new. In 1981, DOE concluded that "An important contributing factor [to the lack of adequate attention by DOE headquarters' organizations to the nuclear safety aspects of its reactors] is the lack of sufficient numbers of highly competent technical people in Headquarters' organizations with nuclear safety responsibilities. Field Office organizations also suffer from this lack." A Safety Assessment of Department of Energy Nuclear Reactors (DOE/US-0005 March 1981).

As DOE shifted from nuclear weapons production work to environmental restoration and waste management responsibilities, the problems did not improve. "EM [environmental management] lacks adequate numbers of qualified staff to develop occupational health and safety programs suited to EM line operations and has little capacity to assess contractors performance in health and safety matters." Hazards Ahead: Managing Cleanup Worker Health and Safety at the Nuclear Weapons Complex, United States Congress, Office of Technology Assessment, 1993.

Most recently, the Defense Nuclear Facilities Safety Board formally raised the issue in its recommendation 93-3. Finding that the level of scientific and technical expertise at DOE defense nuclear facilities has been declining, the Safety Board issued three specific recommendations for action that the Secretary of Energy should take to address the continuing lack of qualified technical personnel. One of these was to "seek excepted appointment authority for a selected number of key positions in DOE programmatic offices, in other line units and in the oversight units responsible for the defense nuclear complex."

The provision recommended by the committee expands existing excepted hiring authority to include the addition of 350 more positions. The committee believes that this will be adequate to comply with the recommendation of the Safety Board.

Technology development

In the past year, the Department of Energy has made improvements in its technology development program for environmental restoration and waste management. DOE has identified specific areas of concentration for these research and development efforts and has initiated a good working relationship with the Department of Defense. The two Departments are to be commended for their joint efforts in environmental research. This cooperation has produced a joint office and a task force to identify common research requirements and to undertake joint and complementary research efforts. The committee is pleased with these efforts and the overall progress in the technology development program.

The work is not over yet. Many non-research efforts continue to be funded by the technology development budget, thus preventing scarce research and development funds from being used on much needed environmental research. For instance, the committee altogether approves of training programs for environmental restoration technicians, but does not want these funded with research money. The committee urges the Department to move the management responsibility for non-research activities to other offices and to fund these activities with funds other than research and development funds. Many of the activities are worthwhile activities of value to the environmental restoration and waste management program, but are not related to research and development.

The committee urges DOE to continue to put additional emphasis on technology development. The technology development program should be balanced with emphasis on both near-term development and longer-term, basic research. The committee urges the technology development program to work closely with the basic research programs in the Office of Energy Research to identify areas where the Office of Energy Research could provide research assistance and assistance to the environmental restoration and waste

management program. The committee continues to support the DOE goal that 10 percent of the environmental restoration and waste management budget be devoted to research and development.

Naval nuclear propulsion

The U.S. naval nuclear propulsion program, a joint program of the Department of Energy and the Department of the Navy, has recently achieved a major milestone-nuclear-powered surface ships and submarines have just steamed their 100 millionth mile on nuclear power without a single nuclear accident or harm to the public or the environment. This is a remarkable achievement, and the committee congratulates the men and women of the naval reactors program for their dedication and exemplary work.

Since the Nautilus, the first nuclear-powered submarine, got underway almost 40 years ago, the U.S. naval nuclear propulsion program has designed, built, operated, and maintained the surface ships and submarines that have now steamed 100 million miles. This figure represents over 4,300 reactor years of safe operation, almost as much as the world's total experience in reactor years of civilian nuclear power plants and more than twice that of U.S. civilian nuclear power reactors.

Shortly after World War II, the United States took the lead in naval nuclear propulsion, a lead that it has never relinquished. Time and again, the unlimited propulsion endurance of U.S. nuclear-powered aircraft carriers has paid off in crisis situations. Even at the height of the Cold War, and despite impressive scientific and technological resources and superior numbers, Soviet submarines were never able to surpass those of the United States; nor were they designed, built, or operated with the same careful attention to health, safety, and the environment that are given to U.S. submarines. Today, the same U.S. submarine characteristics of stealth, mobility, and firepower are proving invaluable in trouble spots around the world.

Admiral Hyman G. Rickover built the U.S. naval nuclear propulsion program from the ground up. He insisted that nuclear technology have its own special discipline that must be adhered to-a basic tenet of the program to this day. The resulting safety record-4,300 reactor years of safe operation, without harm to the public or the environment-is the envy of civil and military reactor programs worldwide.

The U.S. naval nuclear propulsion program provides excellent examples of dual use technology. While developing naval nuclear propulsion, the program also published basic reference information on nuclear power. It built and successfully operated the Shippingport Atomic Power Station, the nation's first civilian nuclear power generation plant. Shippingport technology-including fuel systems, design details, specifications, and operating procedures-served as the technology base for civilian pressurized water reactor plants at home and abroad.

The U.S. naval nuclear propulsion program is synonymous with excellence. Executive Order 12344 dated February 1, 1982 and Public Law 98-525 recognized the "crucial importance to national security of the Naval Nuclear Propulsion Program..." and of preserving "...the basic structure, policies, and practices developed for this program in the past and assuring that the program will continue to function with excellence...".

Since the Nautilus, the naval nuclear propulsion program has built or is in the process of building over 210 nuclear powered vessels. Today, over 40 percent of the Navy's major combatant ships are nuclear-powered. The achievements of the men and women who have been associated with this program from the days of Admiral Rickover to the present have made unique and valuable contributions to U.S. national security.

Naval Petroleum and Oil Shale Reserves management

The committee continues to believe there may be an opportunity to derive greater public benefit from the Naval Petroleum and Oil Shale Reserves (NPOSR). In the committee report accompanying the National Defense Authorization Act for 1994 (S. Rept. 103-112), the committee directed the Secretary of Energy to study management alternatives for the NPOSR, including corporatization.

Although the Energy Department has failed to submit the report as required, it has undertaken the study. It now appears that the Department prematurely decided to make certain management decisions for the reserves, particularly NPR-1 at Elk Hills, California, in advance of submitting the required report. The DOE also appears to have decided to take unilateral action concerning the long-term management of the reserves. The committee wishes to remind the Secretary of the applicable federal statutory and regulatory provisions concerning management of the reserves, including statutory provisions requiring notice to Congress of any change in the management of the reserves in advance of such changes.

The committee believes that conclusion and submittal of the report on management alternatives at the reserve should be completed and submitted to Congress prior to the proposal of any new management initiatives.

Naval Petroleum and Oil Shale Reserves staffing

The Department of Energy proposed, in its fiscal year 1995 budget request, to reduce the staffing level of the Naval Petroleum and Oil Shale Reserves (NPOSr) from 91 to 76 full-time equivalents (FTE). However, the committee is concerned that 76 FTE cannot manage the NPOSr safely, efficiently, and effectively. In fact, an independent study concluded the NPOSr needs 35 additional FTE above the 91 authorized to carry out its responsibilities.

NPOSr is a large enterprise comprising six field sites in four states generating billions of dollars in revenues for the Treasury. Minor inefficiencies resulting from inadequate staffing would jeopardize significant revenues, and savings from this reduction measure could be false economy.

The committee, therefore, directs the Secretary of Energy to restore the authorized level of staffing to 91 FTE, and consider the recommendations of the independent study. The committee further directs the Secretary to report to the Committees on Armed Services of the Senate and House of Representatives on this matter by September 30, 1994.

Offset Folios 331 to 347 Insert here ***TABLE GOES HERE***

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TITLE XXXII-DEFENSE NUCLEAR FACILITIES SAFETY BOARD AUTHORIZATION

Section 3201 would authorize \$17.9 million for the Defense Nuclear Facilities Safety Board.

TITLE XXXIII-NATIONAL DEFENSE STOCKPILE

LEGISLATIVE PROVISIONS

SECTION 3301-DISPOSAL OF OBSOLETE AND EXCESS MATERIALS CONTAINED IN THE NATIONAL DEFENSE STOCKPILE

Section 3301 would authorize disposal of two materials (aluminum and tungsten) from the National Defense Stockpile that were determined to be excess to the stockpile requirements recommended by the Department of Defense in the 1992 Report on National Defense Stockpile Requirements. Under current law, the stockpile manager cannot dispose of these materials until the proposed disposal has been reviewed by the Market Impact Committee and included in the annual Materials Plan or any revision of the Plan.

SECTION 3302-AUTHORIZED USES OF STOCKPILE FUNDS

Section 3302 would authorize the stockpile manager to obligate \$54.2 million from the National Defense Stockpile Transaction Fund during fiscal year 1995 for the authorized uses of funds under section 9(b)(2) of the Strategic and Critical Materials Stock Piling Act.

SECTION 3303-REPEAL OF ADVISORY COMMITTEE REQUIREMENT

Section 3303 would repeal the requirement to establish an Advisory Committee Regarding Operation and Modernization of the Stockpile contained in section 3306 of the National Defense Authorization Act for Fiscal Year 1993.

SECTION 3304-ROTATION OF MATERIALS TO PREVENT TECHNOLOGICAL OBSOLESCENCE

Section 3304 would amend section 6(a)(4) of the Stock Piling Act (50 U.S.C. 98e) to allow for modernization and rotation of materials in the stockpile to prevent technological obsolescence.

TITLE XXXIV-CIVIL DEFENSE

The budget request included \$129.7 million to carry out the Civil Defense Act of 1950, as amended. The committee recommends authorizing the requested amount.

TITLE XXXV-PANAMA CANAL COMMISSION

This title would authorize expenditures from the Panama Canal Commission Revolving Fund for the operation and maintenance of the Panama Canal.

Section 3504 would authorize the Panama Canal Commission to reimburse eligible employees for the cost of dependent schooling at facilities in the United States in the same manner as is now authorized for the cost of dependent students attending non-Department of Defense dependent schools (DODDS) in Panama. Reimbursement for room or board would not be authorized. This section is necessary in view of the planned June 1995 closure of all DODDS schools on the Atlantic side of the isthmus and the strong possibility that all DODDS schools will be closed prior to the end of the decade, as the U.S. military presence in Panama declines.

Finally, section 3505 would authorize Panamanian U.S. government employees, who are eligible under current law for special immigration benefits, to apply for immigration prior to the effective date of their retirement. This section would apply to a small number of Panamanian nationals who had been employed by the U.S. government for at least 15 years prior to the date on which the Panama Canal Treaty of 1977 entered into force (October 1, 1979), and who subsequently retire honorably under the U.S. Civil Service Retirement Act from such employment. This provision would not expand the number of personnel to whom this immigration benefit is potentially available. It would merely allow them to commence the immigration application process prior to submitting their retirement paperwork. This will remove some uncertainty among these loyal and skilled employees and may serve to discourage them from applying for early retirement.

The Panama Canal operates on a self-sustaining basis, utilizing tolls and revenues paid by canal users. Appropriated funds are not used for the operation and maintenance of the canal.

DEPARTMENTAL RECOMMENDATIONS

By letter dated April 22, 1994, the Acting General Counsel of the Department of Defense forwarded to the President of the Senate proposed legislation "To authorize appropriations for fiscal year 1995 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal year 1995, and for other purposes." The transmittal letter and proposed legislation were officially referred as Executive Communication 2555 to the Committee on Armed Services on April 26, 1994. Senators Nunn and Thurmond introduced this legislative proposal as S. 2059, by request, on May 3, 1994. The statement made by Senator Nunn upon introduction of S. 2059, together with the text of the legislation, appear in the Congressional Record of May 3, 1994 on pages S5053-5068.

By letter dated April 20, 1994, the Acting General Counsel of the Department of Defense forwarded to the President of the Senate proposed legislation "To authorize certain construction at military installations for Fiscal Year 1995, and for other purposes." The transmittal letter and proposed legislation were officially referred as Executive Communication 2554 to the Committee on Armed Services on April 26, 1994. Executive Communication 2554 is available for review at the committee. Senators Nunn and Thurmond

introduced this legislative proposal as S. 2058, by request, on May 3, 1994. The statement made by Senator Nunn upon introduction of S. 2058 appears in the Congressional Record of May 3, 1994 on page S5053.

COMMITTEE ACTION

In accordance with the Legislative Reorganization Act of 1946, as amended by the Legislative Reorganization Act of 1970, there is set forth below the committee vote to report the National Defense Authorization Act for Fiscal Year 1995.

In favor: Senators Nunn, Exon, Levin, Kennedy, Bingaman, Glenn, Shelby, Byrd, Graham, Robb, Lieberman, Bryan, Thurmond, Warner, Cohen, Lott, Coats, Faircloth and Hutchison.

Opposed: Senators McCain, Smith and Kempthorne.

Vote: 19-3.

The other roll call votes on amendments to the bill which were considered during the course of the markup have been made public and are available at the committee.

FISCAL DATA

Section 252 of the Legislative Reorganization Act of 1970 (Public Law 91-510) requires that the report accompanying each bill reported by a Senate committee contain certain information on five-year cost projections.

The letter received in compliance with this statutory requirement is shown below. The bill is an annual authorization and does not, within its own terms, generate costs beyond fiscal year 1995 even though the funds authorized to be obligated by this act may not be expended for several years in the future. The fiscal year authorizations herein provided are reviewed annually by the committee and the Congress.

Comptroller of the Department of Defense, Washington, DC,

Hon. Sam Nunn,

Chairman, Committee on Armed Services, U.S. Senate, Washington, DC.

Dear Mr. Chairman: In accordance with Section 252 of the Legislative Reorganization Act of 1970 (P.L. 91-510), the chart below provides an estimate of how appropriations attendant to the FY 1995 Authorization Request will expend.

ESTIMATED EXPENDITURES

[In millions of dollars]

FY 1995 Request:	\$182,230
FY 1995	100,060
FY 1996	45,202
FY 1997	18,852
FY 1998	8,683
FY 1999	4,286
Beyond	5,147

Sincerely,

John J. Hamre.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

It was not possible to include the Congressional Budget Office cost estimate on this legislation because it was not available at the time the report was filed. It will be included in material presented during floor debate on the legislation.

REGULATORY IMPACT

Paragraph 11(b) of rule XXVI of the Standing Rules of the Senate requires that a report on the regulatory impact of the bill be included in the report on the bill. The committee finds that there is no regulatory impact in the case of the National Defense Authorization Act for Fiscal Year 1995.

CHANGES IN EXISTING LAW

Pursuant to the provisions of paragraph 12 of rule XXVI of the Standing Rules of the Senate, the changes in existing law made by certain portions of the bill have not been shown in this section of the report because, in the opinion of the committee, it is necessary to dispense with showing such changes in order to expedite the business of the Senate and reduce the expenditure of funds.

ADDITIONAL VIEWS OF MESSRS. THURMOND, WARNER, COHEN, MCCAIN, LOTT, COATS, SMITH, KEMPTHORNE, AND FAIRCLOTH, AND MRS. HUTCHISON

When the present Administration took office in 1993, it proceeded with a major reordering of priorities in the Nation's missile defense program. The Strategic Defense Initiative Organization became the Ballistic Missile Defense Organization. The change in title was not cosmetic, but reflected a new emphasis on developing defenses against theater ballistic missiles to defend U.S. regional interests, troops deployed abroad, and our allies, instead of focusing primarily on defense of the homeland against strategic ballistic missiles. Also encompassed in the change was more emphasis on development and acquisition of defensive systems, and less emphasis on long-term research in BMD technologies.

Most Minority members of the Committee, and most Republicans in the Senate, agreed with this reordering of missile defense priorities. While homeland defense against strategic ballistic missiles continues to be a major goal of the Minority, we realize that the threat to the continental United States from an ICBM attack has diminished significantly with the end of the Cold War. At the same time, we realize that the proliferation of ballistic missile technology and weapons of mass destruction poses increasing threats to U.S. theater forces and regional interests. The Minority, reluctantly giving up early National Missile Defense deployment on the assurance that the Administration would pursue a robust TMD program, joined with our Majority counterparts last year to support the new emphasis on theater missile defense (TMD) and allocate the bulk of BMDO funds to TMD.

The strong, bi-partisan consensus on a redirected BMD program was clearly expressed in the Fiscal Year 1994 National Defense Authorization Act. In Section 234(a)(8) Congress established as a national security priority the development and deployment of treaty compliant, "highly effective theater missile defense systems capable of countering existing and expanding threats posed by modern theater ballistic missiles as soon as is technically possible."

In considering this year's defense authorization bill, the Minority continued to act on the basis of that consensus in support of a robust, highly effective TMD program. In particular, we shared the Committee's concerns about the Theater High Altitude Area Defense System (THAAD) Demonstration/Validation program. THAAD is the centerpiece of the current TMD effort. But THAAD might not be permitted to enter its flight testing phase in November, 1994 as currently scheduled because of specious questions about compliance with the ABM Treaty. The Committee examined the THAAD Dem/Val program and the THAAD compliance report of January 12, 1994, and expressed in its Report its view that THAAD testing should not be delayed because of concerns about ABM Treaty compliance.

In formulating its position on THAAD testing, the Minority carefully considered at the same time the Administration's present attempt to obtain an agreement with Russia clarifying the distinction between ABM systems, limited by the ABM Treaty, and TMD systems, which are not limited. We believe the U.S. proposal

on TMD "demarcation" tabled in the Standing Consultative Commission (SCC) is consistent with Article VI (a) of the ABM Treaty, and with the Congressional finding contained in the Fiscal Year 1994 Defense Authorization Act. This finding states that TMD systems are compliant with the ABM Treaty unless they are tested against or have demonstrated capabilities to counter modern strategic ballistic missiles. The Minority believes that this finding and the Administration's proposal to the SCC are a sound basis for an agreement on TMD demarcation. They serve the Nation's pressing need to develop and deploy highly effective TMD systems within our existing Treaty obligations.

The Minority is aware that the Defense Department's Compliance Review Group has not yet rendered an official opinion regarding compliance of the THAAD Dem/Val testing program, but that preliminary analysis, which led to the January, 1994 compliance report, indicates that THAAD Dem/Val flight testing may raise compliance problems without an agreement on TMD demarcation. We do not find this analysis persuasive. We note that the planned THAAD Dem/Val system configuration to be used for flight testing during Fiscal Year 1995 and Fiscal Year 1996 will have no capability to counter modern strategic ballistic missiles. We believe that compliance judgements on the THAAD Dem/Val flight program should be based on the system configuration actually employed during such testing.

We acknowledge the Administration's view that the THAAD user operational evaluation system (UOES), with a capability to receive space-based sensor cueing, may have compliance implications unless an agreement on TMD demarcation is reached. But until this system as described is actually tested, we believe no legal impediment exists to executing the planned THAAD Dem/Val program for Fiscal Year 1995. (The Committee concurred in this view only with respect to THAAD flight tests in Fiscal Year 1995, but the Minority believes this position is valid for Fiscal Year 1996 flight testing as well.)

Thus the language on THAAD testing compliance in this Report is consistent with last year's defense authorization act, with the January 12, 1994 THAAD compliance report, and with the technical parameters of the THAAD program as we understand it. The Report clearly expresses the Committee's view that the FY 1995 THAAD flight test schedule should go forward without unnecessary impediments or delays caused by concerns over ABM Treaty compliance. We commend the Majority for its leadership in arriving at this position, and fully subscribe to the views expressed in this section of the Report.

However, the Minority is concerned that the Report language cited does not go far enough in addressing the underlying issue of the ABM Treaty's potential impact on all U.S. TMD programs, not just THAAD. We are further troubled that compliance issues related to THAAD might be used as a rationale for seeking an early, unnecessarily narrow and restrictive agreement in the SCC on TMD demarcation. We urge the Administration to resist such pressures and to pursue a TMD demarcation agreement that would allow more advanced TMD systems to proceed unencumbered by legal ambiguity.

The Minority believes that a "demonstrated capabilities" standard, consistent with section 234(a)(7) of the Fiscal Year 1994 Defense Authorization Act and the Administration's SCC proposal of November 1993, would achieve these goals. Such a demonstrated capabilities standard could not be satisfied by one-on-one computer simulations that will never be validated by flight testing. Hence, the Administration should adopt a demonstrated capabilities standard based on flight testing as the measure for determining capabilities to counter strategic ballistic missiles.

The Minority has fully supported the Defense Department's strong TMD development and acquisition program. Based in part on the Administration's TMD demarcation proposal and the Armed Services Committee's apparent commitment to advanced TMD development, we also supported the addition of \$75 million for TMD in the BMDO account in this year's authorization bill.

However, the Minority is obliged to point out that if the Administration accepts limitations on the fly-out velocity of TMD interceptors or other limitations on TMD proposed by the states of the Former Soviet Union participating in the ABM Treaty negotiations, the Navy Upper Tier and Boost Phase Intercept advanced TMD programs could be severely restricted, if not killed outright.

Except for the aforementioned position taken on the compliance of THAAD testing, the Majority of the Armed Services Committee has not made its views clear on TMD demarcation, nor on the possibility that the Administration might accept new ABM Treaty limits on advanced TMD systems. In order to preserve the consensus that was established last year in favor of highly effective and quickly deployed TMD systems, the Minority hopes the Committee as a whole will see fit to express its views to the Executive branch on the need to sustain the original position on TMD demarcation in the current ABM Treaty negotiations. The Committee as a whole should demonstrate its commitment to a robust TMD program by protecting the right of the United States to develop and deploy technically advanced TMD systems capable of countering future as well as present theater ballistic missile threats.

Under Article II, Section 2 of the United States Constitution, the Senate shares the responsibility with the President for making treaties. Consequently, it is appropriate for individual members of the Senate, for Senate Committees, and for the Senate as a body to make their positions on treaty matters known to the Executive branch. Indeed, in our view it would be negligent of the Armed Service Committee not to make its position clear regarding changes in the ABM Treaty that could adversely impact vital TMD programs which the Committee has consistently said are a top national security priority.

The Constitution does not preclude Senators from conveying opinions to the Executive branch on treaty matters informally or via legislation before a treaty is formally presented for advice and consent under Article II, Section 2. The Senate advises, consents, instructs, directs, and compels the Executive branch in myriad matters, from spending priorities to appointments of Executive branch personnel. Since treaty-making is equally a prerogative of the Senate, Senators should feel no reticence to express a position on a pending treaty issue, especially one of such magnitude as changes to the ABM Treaty. We believe further that the defense authorization bill is an appropriate means for expressing such opinions.

If the Committee and the Senate as a whole do not take a clear position on ABM Treaty clarification that supports a robust TMD program, we fear the Administration may accept the counter-proposal tabled by the Russians in the SCC. That could impose additional limitations that would cripple promising, advanced TMD programs. By failing to insist that the U.S. Government do all it can-consistent with existing treaty obligations-to preserve the United States's right to pursue highly capable TMD systems, the Senate may by default allow the ABM Treaty to cast a net over TMD programs. That means the Treaty could be allowed to improperly "capture" an entire new class of weapons systems, contrary to the plain reading of the Treaty's language, contrary to its historical purpose, and contrary to the Nation's security interests. We would be accepting new legal obligations, in effect transforming the ABM Treaty into an "ABM-TMD Treaty."

Should this occur, the Defense Department will find itself constrained to artificially limit the performance and capabilities of some TMD systems, or eliminate them altogether. The Congress will find itself spending scarce defense funds on systems which are not technically competent to meet existing or future theater ballistic missile threats, systems which could in fact be obsolete by the time they are deployed. Faced with this possibility, the bi-partisan consensus on BMD and TMD arrived at with such promise last year could quickly erode. The Minority hopes this does not happen, and that the United States can rapidly proceed with the best theater missile defenses current technology will permit.

Strom Thurmond.
John Warner.
Bill Cohen.
John McCain.
Trent Lott.
Dan Coats.
Bob Smith.
Dirk Kempthorne.
Lauch Faircloth.
Kay Bailey Hutchison

ADDITIONAL VIEWS OF MESSRS. THURMOND, WARNER, COHEN, MCCAIN, LOTT, COATS,
SMITH, KEMPTHORNE, AND FAIRCLOTH, AND MRS. HUTCHISON

The authorization bill reported by the Armed Services Committee authorizes the establishment of a \$300 million "Contributions for International Peacekeeping Account" (CIPA) in the Defense Department's accounts. It is noteworthy that not a single Republican member of the Committee voted in favor of this provision, which provides \$300 million for U.N. or multi-lateral peacekeeping in the Defense Department's budget. In other words, the bi-partisan consensus that usually underlies the Committee's decisions on major defense programs and national security policies is conspicuously absent in this case.

The Minority is not opposed to U.N.-sponsored or other multi-national peacekeeping activities in principle. Indeed, we recognize that in today's violent and troubled world occasions will arise when the Nation's interests, overwhelming humanitarian concerns, or other considerations dictate that the United States participate in international peacekeeping activities. But we feel the Nation's overriding priority is to preserve the means and the political will to act unilaterally to protect our national interests when necessary.

We feel that in authorizing the CIPA fund, the Committee has put its seal of approval, intentionally or unintentionally, on the Administration's expanded new policy for U.N. peace operations, as embodied in Presidential Decision Directive 25 (PDD-25). But many members on both sides are not aware of the full implications of this new policy. The Minority is concerned that PDD-25 and its doctrine of "assertive multilateralism" represent a quiet but significant revolution in U.S. security policy. The result of this policy may be increased subordination of American military forces and U.S. foreign policy prerogatives to the U.N. Before we embark upon such a sweeping new policy direction, we feel that more examination of its potential impact upon the Nation's interests and in particular on U.S. military capabilities is needed.

In fairness, the Minority must acknowledge that the Committee included a number of restrictions on the use of the CIPA account. For example, CIPA funds can only be used for peace operations that involve American combat forces. Also, the fund is capped at \$300 million. In this initial authorization, we cannot say that the Committee has given the U.N. a "blank check" to be drawn on the Pentagon.

Nevertheless, the Minority is deeply concerned that the Committee has crossed a major threshold in placing responsibility for payment of some U.N. peacekeeping costs directly on the Defense Department. Based on Congressional testimony and numerous statements by Administration officials, the Minority has every reason to believe that U.S. participation in U.N. peace operations will increase in the coming years under the Administration's policy of assertive multilateralism. Consequently, the peacekeeping bill to be paid directly by the Defense Department will of necessity increase as well, putting additional pressures on an already severely strained and underfunded defense budget.

We feel the United States is entering uncharted and possibly dangerous territory under the rubric of PDD-25. The Committee's action, which will help to pay for the implementation of PDD-25, could contribute to putting the Nation on a classic "slippery slope." In addition to the added pressure on the defense budget, we are concerned that PDD-25 will draw the United States deeper and deeper into international peace operations, leaving our forces overcommitted, and the Nation dangerously exposed in a future crisis that might threaten our interests directly.

We also believe that in the coming years there will be pressure to eliminate one by one the hedges and restrictions placed by the Committee on the CIPA account, the inclusion of which no doubt induced the Committee to support it. Once the Committee has crossed the threshold and in effect made the defense budget a legitimate source of U.N. peacekeeping funds, there will be no sound, principled argument in the future not to remove the restrictions cited above. The result will be an expanding CIPA account, and a corresponding decrease in Congressional accountability and control.

We believe more Congressional control and oversight of peacekeeping is needed, not less. We hope that the Committee's action to authorize the CIPA account will not make it easier for the Administration to embark upon dubious U.N. ventures, with possibly even more tragic results than those we suffered in Somalia.

As a final concern, we note that the United States has not resolved the dispute with the U.N. over the U.S. peacekeeping assessment. During the transition between the Bush and Clinton Administrations, the U.N. unilaterally raised the U.S. assessment to 31.7 percent from our former rate of 30.4 percent. The U.S. Government has taken the position that our fair share ought to be 25 percent, and has quite properly refused to recognize the irregularly increased assessment. This issue must be resolved, as well as other troubling questions about poor U.N. management and lack of cost reduction; for example, waste, corruption, and "featherbedding." Until they are resolved, the Committee should not be creating conditions in which U.S. peacekeeping burdens may increase, especially at the expense of the defense budget.

Strom Thurmond.
John Warner.
Bill Cohen.
John McCain.
Trent Lott.
Dan Coats.
Bob Smith.
Dirk Kempthorne.
Lauch Faircloth.
Kay Bailey Hutchison.

ADDITIONAL VIEWS OF MR. LOTT

While I support the committee bill, I remain concerned that the post-cold war realignments in defense spending are dangerously accelerated. This bill, like the previous four annual authorization bills, cuts too much, too quickly. It is significant to note that under this authorization bill, the United States completes one decade of declining defense budgets. Spending under this bill will reduce defense to its lowest level, as a percentage of Gross National Product, since the United States entered World War Two.

Testimony received by the Committee this year was stridently clear and nearly unanimous-we cannot continue to reduce defense spending without endangering America's national security and severely damaging critical readiness and training. This bill should serve as a clarion call to reverse the precipitous decline in defense spending. In the near future, we must halt this decline if we are to maintain a ready force capable of protecting America's national security interests throughout the world.

Notwithstanding this continuing decline, the bill does have a number of important provisions, most notably, the increases in the shipbuilding account. America has always been a strong maritime nation. When our Navy is strong, our country is strong. This bill boldly preserves America's commitment to a strong, robust naval capability through increased investment in the nation's shipbuilding industrial base and the addition of one Amphibious Assault Ship and two maritime prepositioning ships to support the Marine Corps.

The addition of LHD-7 to the FY-95 National Defense Authorization bill is supported by repeated and consistent testimony from uniformed leadership. General Hoar, Commander in Chief of the United States Central Command, testified that, "We need LHD-7 and 12 ARGs [Amphibious Ready Groups] to ensure that we maintain the naval posture that is the backbone of our forward presence." Admiral Kelso stated in his amphibious shipping report dated March 1993, "The Navy's goal is 12 ARGs. . . . An additional LHD, the 7th, would be required to fully support the 12 ARG goal. . . ."

Based on the cumulative testimony received this year, the Committee wisely agreed to include \$600.8 million in the bill to support the execution of a firm-fixed price contract option for LHD-7 which expires December 31, 1994. While the Committee generally does not approve incremental funding ship acquisition, the overwhelming requirement for the seventh LHD and the substantial savings provided to the Navy, estimated to be \$800 million, compelled the committee to authorize the acquisition of LHD-7 in two installments beginning with \$600.8 million in FY-95.

The committee also added a critically important loan guarantee authority in section 345 of the bill to assist the Department of the Army to increase utilization of closed Army Ammunition Plants. This provision was identified as a need late last year. While efforts by myself and the Virginia members were unsuccessful to add this loan guarantee authority last year to the FY-94 bill, the committee included this provision in the FY-95 bill. Job growth and economic expansion will now be much more possible at Army facilities similar to the Mississippi Army Ammunition Plant in Bay St. Louis, Mississippi.

While the addition of LHD-7 and this loan guarantee authority to the bill are two very positive steps made by the committee, several provisions remain in the bill which cause me concern. Perhaps most significant is the inclusion of Section 333, a provision which authorizes the Armed Forces Retirement Home Board to increase the monthly assessment on all enlisted personnel from \$.50 per month to \$2.00 per month, phased in over three years.

While the committee worked hard to authorize a full 2.6% payraise for military personnel, the enlisted assessment increase unfairly taxes enlisted personnel-many with young dependents. While the revenue is needed to support the Armed Forces Retirement Home, the Naval Retirement Home located in Gulfport, Mississippi, does not require increased revenues to remain actuarially sound. I firmly believe other options exist which would address the financial difficulties facing Soldiers' and Airmen's Home-without increasing the enlisted assessment on all military men and women. I do not support this provision and will oppose increased assessments until better options are fully considered.

Lastly, I am concerned about the inclusion of three specific provisions which were requested by the Pentagon: \$300 million to be paid as an assessment to the United Nations for United States' participation in peacekeeping missions; authorization for the Department of Defense to pay the severance costs of over 200 personnel being separated from employment by the Dutch Government who support the United States' defense activities in the Netherlands; and, the authorization of \$46.3 million for Foreign Disaster Relief Assistance.

While I recognize the need for the United States to remain engaged on the world stage, none of these three provisions are central or essential to the Department's activities. In a bill which substantially reduces the funds available to the preservation of America's defense interests and increases the financial burden on enlisted men and women, none of these three provisions are warranted.

Trent Lott.

MINORITY VIEWS OF MESSRS. MCCAIN AND SMITH

By casting our votes against reporting the Fiscal Year 1995 Defense Authorization bill to the Senate, we are expressing our opposition to the continuing decline in the defense budget that could leave this nation with insufficient resources to ensure our own security, much less that of our allies.

We should note at the outset that we fully support the majority of the programmatic and policy recommendations contained in the Committee-approved bill. However, we believe that the Administration and the Congress are cutting defense too quickly and too deeply. We are harming the readiness of our military forces and putting in jeopardy the future security of this country and our ability to positively influence the course of world events.

We reject the apparent intention of this Administration and some of our colleagues in Congress to foist on the defense budget the entire burden of deficit reduction. Defense has already paid its fair share; it is time to look to domestic spending. Before defense spending is cut further, we believe that non-defense discretionary spending must be reduced significantly. In our view, this is a fair and equitable approach to reducing the massive federal deficit.

Defense has already been cut severely every year since 1985. The President's FY 1995 budget proposal submitted to Congress will result in a 35% real cut in the defense budget in just ten years, and another 10% real reduction by 1999. We are concerned that the overall level of the Administration's defense budget, and the funding level of this bill, is dangerously inadequate to ensure our future national security and to meet the emerging challenges of a changing world.

Specifically, we remain concerned about the warning signs of deteriorating military readiness of our forces. Not only are we asking hundreds of thousands of men and women to leave military service, but we are failing to properly train, equip, and support the smaller force upon which we will continue to depend to ensure our nation's security in the future.

Only three years ago, we went to war in the Persian Gulf as the most combat-ready force in the world. The value of that readiness is clear in the decisive victory we achieved in just a few weeks. Today, that readiness is beginning to evaporate. Our forces are going hollow. Few future opponents are likely to allow us time to get ready for war. If we are not ready, the men and women we send into combat will pay for our negligence with their lives.

Last year, the Committee expressed concern about the signs of declining readiness. In addition, in July of last year, the Service Chiefs of Staff provided their views about the readiness status of the Military Services, which were included in a publication by Senator McCain entitled "Going Hollow: The Warnings of Our Chiefs of Staff". This publication contains page after page of statements from the Chiefs that readiness is already declining in each of the Services, and that underfunding will only exacerbate the problem. The Chiefs have been asked to update their responses of last year. However, with another year of declining defense budgets, we are not hopeful that their views will be more encouraging today.

The President's FY 1995 defense budget request did not adequately address the serious problems raised last year by the Service Chiefs. When the budget was submitted, the Pentagon disingenuously claimed to increase spending on readiness by \$5 billion. Yet only about 20 percent of that amount was actually allocated to readiness-related programs. Instead, the bulk of the so-called readiness increase was used to pay for inflation and civilian pay costs. In addition, \$300 million was requested to pay the U.S. assessment for U.N. peacekeeping operations—a request which the Committee unfortunately approved and which we and others will seek to reverse on the Senate floor.

To some degree, the Committee recognized readiness deficiencies in the budget request and increased depot maintenance, real property maintenance, recruiting, and several other categories of readiness-related spending by over \$670 million. As members of the Military Readiness and Defense Infrastructure Subcommittee, we fully support these increases.

The Committee did not, unfortunately, increase funding for combat training, a deficiency which we will work to rectify during the Senate debate on the bill. Operational training rates, which the Pentagon claimed will be maintained at current levels under the budget request, will actually decline in several areas compared to training rates at the end of the Bush Administration. Without adequate training, our smaller force will be less ready to fight and win any future conflicts.

Moreover, we are seeing an increased incidence of training accidents throughout the Services. While this is not something that can be directly correlated to reductions in O&M funding, it sends a disturbing signal that our troops, equipment, and logistics networks are being stretched too thin. It also indicates that the Administration's expansion of military involvement into unorthodox, undefined mission areas, such as U.N. peacekeeping and no-fly-zone enforcement, has diverted funding from combat training and fundamental mission preparedness. We believe that funding combat training should have been given a higher priority in allocation of additional resources.

Rather than allocate all available funds to readiness-related programs, the Committee instead funded a number of programs which bear little or no relation to military readiness. Examples of these programs include a National Guard pilot program of community medical assistance, additional staffing in the DOD Inspector General office, relocation of the Army Environmental Policy Institute, and restructuring the Civil Air Patrol headquarters. Additional funding for these kinds of programs exceeds \$100 million. We believe these funds should instead be utilized to fund higher priority combat readiness activities.

In addition, the Committee continued the long-standing tradition of Congressional pork-barrel spending by approving additional funding for a number of programs which have little or no military utility.

One of the most egregious areas of unnecessary and wasteful spending of scarce defense dollars is in the military construction accounts. During the past five years, Congress has added more than \$4.4 billion in unrequested military construction projects. We are concerned that, in many cases, these projects may be low- or no-priority, special interest projects which serve a political rather than military utility. In this bill, the Committee approved \$545 million in unrequested military construction projects requested by Senators. These funds would have been better utilized to redress shortfalls in combat readiness in the military Services, and we intend to propose an amendment during Senate consideration of this bill to eliminate these Congressional add-ons and instead fund urgent readiness requirements in the Services.

Another example of unwise spending is the Committee's decision to use defense dollars to support international sporting events. While we both support the participation of U.S. athletes in such events as the World Cup Games, the Olympics, and the Special Olympics, DOD should not be asked to donate services and support for these privately funded activities. Yet, as in past years, the Committee set aside \$13 million to pay for DOD's activities in support of these events. We believe that the organizing committees or local communities which benefit economically from these activities should be required to reimburse DOD for its costs, and we will propose an amendment on this subject on the Senate floor.

Every one of these pork barrel projects—from the smallest military construction project to the Seawolf submarine boondoggle—should be eliminated from the bill and the funds allocated to national defense programs—not local economic enhancement programs.

Another area of concern is the use of defense dollars for non-traditional civil activities. Even as the defense budget is steadily decreasing, the percentage of the budget devoted to non-military related programs is rapidly increasing. We could write at great length about the burden on defense created by the Congress' practice of directing DOD to use defense dollars to support domestic activities. These non-defense activities include peacekeeping, environmental compliance, drug interdiction, disaster relief, and the like. In a study released last November, the General Accounting Office concluded that:

"For fiscal years 1990 through 1993, DOD allocated at least \$10.4 billion to [domestic] activities. This figure, however, understates the full amount spent because data on such activities are incomplete." [emphasis added]

On March 21, the Congressional Research Service completed a study of items in the DOD budget that "may not be directly related to traditional military capabilities". This study analyzed defense expenditures for FY 1990-1993, the same period covered in the GAO report cited above, and the report concludes that \$28.3 billion was expended during that period for items which could be defined as non-defense activities. CRS looked further at FY 1994 defense appropriations and the FY 1995 defense budget request, and identified another \$24.3 billion in non-defense activities in these two years alone. All together, CRS lists \$52.6 billion in defense expenditures for items not directly related to military capability.

While views differ as to the relevance of some of these expenditures to military capabilities, the GAO and CRS studies illustrate the increasing drain on scarce defense resources for non-traditional, non-defense activities. These are costs which the Department of Defense must pay, and they are growing costs which must be considered when we assess the level of funding for defense. Every dime spent by DOD on these

types of activities is a diversion of funds which jeopardizes the ability of our military to fulfill their primary mission, to defend the security of the United States.

In the area of defense conversion, the Committee approved the \$2.1 billion requested for defense conversion and industrial base programs, increasing funding in a number of program areas. While we believe that defense conversion assistance, in general, is necessary and should be supported, we believe that effective oversight must be exercised to ensure that awards are not made to projects lacking some relevance to the national security objectives of the defense conversion program. Defense dollars allocated to conversion programs over the past 5 years total over \$5.6 billion. We believe that scarce defense dollars should not be used to subsidize purely commercial enterprises. We intend to ensure that these investments provide some return to DOD in the form of militarily useful technologies and programs for the future.

The defense conversion and technology reinvestment programs have unfortunately become a source of pork barrel funding for the Congress in the past few years. We applaud the Committee's inclusion of strong legislative language to make ineffective the practice of earmarking funds for specific projects and entities.

Finally, in the area of ballistic missile defense, we strongly support the Committee's action to expedite the development, testing, and fielding of theater missile defenses. We also agree that there is an urgent and legitimate requirement to differentiate, with respect to the ABM Treaty, between strategic ballistic missiles and theater ballistic missiles. The ABM Treaty was never intended to restrict theater missile defense, and there is no reasonable basis for applying its constraints to theater systems such as THAAD. We concur with the Committee's position that there should be no impediments to continued flight testing of THAAD in FY 1995.

However, in the area of national missile defense, we are deeply concerned over the lack of emphasis on the development of defenses to protect the American homeland. While we agree with the Committee's decision to accelerate the development of a limited user-operational-evaluation system based on existing kill vehicle and booster technology, we believe that the funding and programmatic guidance are insufficient to keep pace with the emerging intercontinental threat.

The intelligence community estimates that the United States will not be confronted by a hostile Third World intercontinental ballistic missile threat for some 10 to 15 years. But the community's track record of detecting and tracking nuclear, chemical, biological, and missile technology development programs has hardly been impressive. The fact is that the existing export and arms control regimes are failing to stem the proliferation of ballistic missile technology and weapons of mass destruction. Moreover, nations hostile to the United States, such as North Korea, are increasingly developing indigenous weapons capabilities that are virtually immune from export control.

The United States must move expeditiously to develop systems capable of defending the American people against ballistic missile attack. Absent increased investment and programmatic restructuring, we simply have no chance of keeping pace with the threat. Continued inaction is simply unconscionable. We intend to continue highlighting shortfalls in the national missile defense plan and to offer amendments on the floor to accelerate the development and deployment of homeland defenses.

These are our principal areas of concern with the Committee-approved bill. We do not look back with nostalgia on the Cold War. Rather, we welcome the new era of friendship and cooperation among nations. But the end of the superpower conflict which drove our national security policy for 45 years cannot be interpreted to mean that the world is now a stable and safe place.

We have an abiding obligation to provide the best possible equipment, training, and support to the men and women who may be asked to risk their lives to protect our security. We have an obligation to the taxpayers of America to spend their dollars wisely. We have an obligation to ensure the security of our people and the defense of our homeland. We are committed to continuing to work toward fulfilling those obligations.

John McCain.
Bob Smith.

MINORITY VIEWS OF MR. SMITH

Having voted in opposition to the Armed Services Committee's FY95 Defense Authorization bill, I am compelled to outline the rationale for this decision, and to highlight some very serious concerns that I have regarding the state of our national defense.

At the outset, I want to commend Chairman Nunn and Ranking Member Thurmond for their leadership and unwavering commitment to the national security of the United States and the well being of our men and women in uniform. Their contributions over the past six months and, particularly, during the authorization markup, have been immeasurable. It is an honor to serve with men of such distinction and dedication.

My decision to vote against the Committee bill should not be interpreted as a criticism of the distinguished Chairman and Ranking member, or the bill itself. Indeed, I believe that the Committee bill represents virtually the best possible package that could be formulated within the constraints inherited from the Administration proposal and the budget resolution. The Committee bill is an honest, comprehensive package which, in and of itself, is much more than we received from the Administration.

This is a point that merits further elaboration. The Clinton Administration's five year defense plan is both fiscally and intellectually dishonest. Although it claims to support the Bottom-Up Review (BUR) force levels and strategy, it clearly does not. Even more disturbing is the fact that the BUR force levels and strategy themselves do not support our military requirements. Thus, not only is the structure and strategy inadequate, but the resources to implement that flawed strategy are insufficient, as well.

Based on the abundance of testimony presented to the Committee, it is clear that the BUR is fundamentally and fatally flawed. It is equally clear that, contrary to the assertions of Pentagon spin doctors, the BUR was a budget driven, not threat driven, exercise. By all indications, the Administration determined exactly how much it wanted to pillage from defense, and then utilized the BUR to rationalize the reductions. To those who dispute this assertion, I would simply cite, as one example, the pathetic inadequacy of bomber force levels under the BUR and the Administration's five year plan. It is irresponsible and, frankly, fraudulent to suggest that the primary authorized aircraft levels in the Administration plan are adequate to fight and win two near simultaneous major regional contingencies.

These significant shortfalls are exacerbated by the fact that, at the same time the President is giving our men and women in uniform less, he is asking of them more. The Administration is dramatically increasing Defense Department funding for, and participation in, unorthodox mission areas such as U.N. peacekeeping and humanitarian relief. Neither of these are appropriate roles or missions for our armed forces. The United States armed forces are a national treasure; they are not a law enforcement agency to be subcontracted out wherever or whenever the United Nations sees fit.

As we mark the 50th anniversary of Normandy and other tremendous World War II battles, it is instructive to look back on what transpired, and how events unfolded. Perhaps most compelling is the recognition that this nation was thoroughly unprepared for war and that it took nearly four years total, and two-and-one-half years following Pearl Harbor, for us to field a force capable of invading occupied Europe. We must not make those same mistakes again through complacency and misplaced priorities.

Richard Nixon stated shortly before his death that the 20th Century will always be remembered as the century of war, and that the 21st Century could be the century of peace so long as we do not squander the unique opportunity we now have to shape world events. But already, under the policies of the Administration, United States military strength is diminishing, our credibility is in question, and our influence is waning.

As a member of the Senate, I simply cannot sit idle and allow our national security to be compromised, and our armed forces decimated. The Clinton Administration has charted a course that will most certainly do both. Congress must have the courage and the foresight to reject this blueprint for disaster. Merely accepting the budget reductions, and reallocating the resources within accounts, is not the answer. It is part of the problem. The resources are inadequate, and no level of reallocation and restructuring can remedy these shortfalls.

While there is much within the bill that I strongly endorse, and worked actively to include, I simply cannot legitimize the Administration's defense plan by approving its substance. The distinguished Chairman and Ranking Member have done everything possible to make the best of an impossible situation. But I cannot, in good conscience, support this legislation.

I voted against the Committee bill because it inevitably continues the Administration's systematic dismantling of our armed forces.

Bob Smith.

MINORITY VIEWS OF MR. KEMPTHORNE

It is with great reluctance that I voted against the FY 1995 Defense Authorization Act. While the Members of the Senate Armed Services Committee made a heroic effort to meet our defense requirements with a declining defense budget, a number of facts lead me to believe that we are cutting defenses too far and too fast. I fear that the cumulative effect of 10 straight years of defense cuts may leave the United States with forces and capabilities unable to meet all of the national security requirements of our nation.

Let me cite a few of my concerns. In hearings this year, Secretary Dalton informed the committee that under the proposed budget the Navy would not be able to afford all of the ships required by the Bottom Up Review. Instead, in order to achieve additional savings, perfectly good ships will be deactivated because the Navy does not have the funds to operate these vessels. In response to this shortfall, the committee authorized the Navy to maintain additional amphibious lift ships in a ready reserve status but this is only a partial answer.

The President's proposed defense budget also revealed shortfalls in the Air Force. For example, the Chief of Staff of the Air Force, General McPeak, warned the committee that the proposed defense plan would reduce our bomber force far below the requirements to fight two simultaneous conflicts. Indeed, as the committee learned the facts about this "bomber gap," funds were added to stop the deactivation of the B-52 bombers and the committee authorized the programs to convert the B-1 bomber, the backbone of our bomber force, into a fully capable conventional bomber. Likewise, the committee took an important step to preserve the B-2 stealth bomber industrial base. While I support preserving the option to buy additional B-2's, I have a number of questions about how the defense committees will be able to find the funds to procure these aircraft.

The committee also learned this year about serious shortfalls in our nation's airlift capabilities. Because of age, extensive usage, and insufficient maintenance funding, General Hoar told the committee that our airlift capability is "broke." In light of this warning, the committee authorized funding for the six C-17 aircraft requested by the administration.

The committee rearranged the President's proposed budget to fund a number of important initiatives. For example, the committee made cuts in other areas in order to authorize a 2.6 percent pay raise for military personnel. The President's budget had proposed a 1.6 percent pay raise for military personnel. I believe that if we want to keep the best men and women in our armed forces, we must pay them a salary that does not fall too far behind wages in the private sector. On a related issue of compensation, unfortunately the committee deferred action on the proposal by Senator Warner to eliminate the COLA inequity between civilian and military retirees. I fully support Senator Warner's effort to rectify this inequity.

The committee also made reductions in other programs to fund additional M1A2 tank upgrades and the procurement of an LHD amphibious assault ship. The committee also directed the Army to transfer additional M1 tanks to the Marine Corps. Some of these tanks will go to the Marine Corps reserves. I fully support these actions.

The members of the committee also made reductions in other parts of the budget in order to restore some military construction projects cut by the President's budget. One of these projects, funding to repair the E ramp at Mountain Home Air Force Base, will eventually allow the 366th Composite Wing to house all of its assigned aircraft at the base. Another project, expansion of the Post Falls Armory, will allow the Idaho National Guard to consolidate units from Couer D'Alene and Post Falls at the expanded Post Falls Armory. This investment will save the taxpayers money in the years ahead.

Despite the good initiatives that are included in the bill, I have serious reservations regarding the provision directing the Department of Defense to pay for United Nations peacekeeping operations. Given the dramatic defense cuts in recent years, and the large cuts proposed by the President in fiscal years 1996 and 1997, I see no reason or justification to make the Department of Defense pay for United Nations peacekeeping operations. In the past, the Department of State has been responsible for paying the U.S. share of the United Nations peacekeeping bill. Since the end of the Cold War, the cost of U.N. peacekeeping operations has skyrocketed and the Clinton Administration, and the FY 1995 Defense Authorization Act, now propose using DoD funds to pay part of this bill. I completely reject this approach.

As I see it, the Department of Defense is already making a significant contribution to world peace and stability. In 1994, U.S. military forces will spend about \$1.2 billion supporting United Nations peacekeeping operations, humanitarian missions and Security Council Resolutions. These operations include enforcing the U.N. sanctioned no fly zones in Iraq and Bosnia and the U.N. sanctioned economic blockades around Haiti and Serbia. These forces are "donated" to the U.N. and we receive no compensation from that world body

for these actions. While I support most of the actions since they directly benefit United States security, I do not think we should be the cops called in every time the U.N. passes a resolution.

Since U.S. military forces are contributing about \$1.2 billion toward peacekeeping, it seems unfair for the U.N. to send the United States an additional bill of \$1 billion for the cost of U.N. controlled peacekeeping operations. When our \$1 billion bill from the U.N. is added to our \$1.2 billion military contribution, it shows the U.S. is paying about \$2.2 billion of a worldwide \$4.7 billion peacekeeping bill. That's over 46 percent of the world peacekeeping bill being paid by the American taxpayer and that's too much and that's wrong. Given DoD's current contribution to international peacekeeping, I can't support adding part of the U.N. peacekeeping bill to the Department of Defense's responsibilities.

Regarding the Department of Energy's national defense programs, I am pleased that the committee authorized \$50 million for fissile material control. These funds will be used, along with \$40 million provided last year, to help the Department assess technologies, including advanced reactors like the Integral Fast Reactor, for the disposition of surplus plutonium.

As a result of the START I and START II agreements, the U.S. finds itself with tons and tons of surplus weapons grade plutonium. Unfortunately, this Administration, as was the case with previous administrations, has no plans for dealing with this material. The Secretary of Energy recently signed an agreement with the State of Texas that will limit plutonium storage at the Pantex facility. When the problem of plutonium disposition is coupled with the tons and tons of spent reactor fuel building up around this country, the nation clearly needs new ideas and new technologies to deal with this problem. Given this need for new technologies, the Administration's proposal to terminate the IFR program seems to make no sense. The report language accompanying this bill directs the Department of Energy, in strong language, to get moving with its assessment of plutonium disposition options. I fully support this direction.

In summary, the FY 1995 Defense Authorization Bill passed by the Senate Armed Services Committee takes many positive steps to address critical national security requirements. Unfortunately, I fear that the President's budget and the congressional budget process have not provided enough funding to meet all of the pressing national security needs facing this nation. In order to express my belief that the United States is cutting its defenses too quickly and too deeply, I must vote against this bill.

I want to thank all of my colleagues on the committee for their commitment and dedication to their duty as trustees of the men and women who wear the uniform of the United States of America. I want to extend special thanks to Chairman Nunn and the Ranking Member on the Committee, Senator Thurmond, for their unique guidance and courtesy throughout this process. The national interest will be well-served as long as Senators Nunn and Thurmond continue to lead the Senate Armed Services Committee.

Dirk Kempthorne.